IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

IN RE NATIONAL PRESCRIPTION OPIATE LITIGATION	MDL No. 2804 Case No. 17-MD-2804 Judge Dan Aaron Polster
This Document Relates to: The County of Summit, Ohio, et al., v. Purdue Pharma L.P., et al. Case No. 17-op-45004 The County of Cuyahoga v. Purdue Pharma L.P., et al. Case No. 18-op-45090 City of Cleveland, Ohio v. Purdue Pharma L.P., et al. Case No. 18-op-45132	

TUESDAY, JANUARY 22, 2019

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HIGHLY CONFIDENTIAL - SUBJECT TO FURTHER CONFIDENTIALITY REVIEW

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Videotaped deposition of EMILY HALL, held at Foley & Lardner LLP, One Biscayne Tower, 2 Biscayne Boulevard, Suite 1900, Miami, Florida, commencing at 9:15 a.m., on the above date, before Kelly J. Lawton, Registered Professional Reporter, Licensed Court Reporter, Certified Court Reporter.

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I N D E X

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E X H I B I T S

(Attached to Transcript)

EMILY HALL DEPOSITION EXHIBITS		PAGE
Anda - Hall Exhibit 1	Notice of Videotaped Deposition of Emily Schultz	10
Anda - Hall Exhibit 2	Anda, Incorporated - Anda Overview - Bates Numbered Anda_Opioids_MDL_0000570926 to Anda_Opioids_MDL_0000570944	40
Anda - Hall Exhibit 3	July 29, 2013 E-mail - Subject: EPIC & IPA NJ - Required Information - Bates Numbered Anda_Opioids_MDL_0000711634	77
Anda - Hall Exhibit 4	Standard Operating Procedure - Suspicious Order Monitoring - Bates Numbered Anda_Opioids_MDL_0000140495 to Anda_Opioids_MDL_0000140497	87
Anda - Hall Exhibit 5	E-mail Chain - Subject: Remedy - Control Requests - Bates Numbered Anda_Opioids_MDL_0000133286 to Anda_Opioids_MDL_0000133287	100

E X H I B I T S

EMILY HALL DEPOSITION EXHIBITS		PAGE
Anda - Hall Exhibit 6	December 15, 2016 E-mail - Subject: Bucket - Bates Numbered Anda_Opioids_MDL_0000147166 to Anda_Opioids_MDL_0000147167	114
Anda - Hall Exhibit 7	E-mail Chain - Subject: Acct #499221 - Bates Numbered Anda_Opioids_MDL_0000137399	121
Anda - Hall Exhibit 8	November 27, 2012 E-mail - Subject: Presentation - Bates Numbered Anda_Opioids_MDL_0000132591	135
Anda - Hall Exhibit 9	August 22, 2016 E-mail - Subject: SOMS - Held Orders - Bates Numbered Anda_Opioids_MDL_0000141492	147
Anda - Hall Exhibit 10	February 16, 2017 E-mail - Subject: Wegman Oxycodone Order - Bates Numbered Anda_Opioids_MDL_0000149556 to Anda_Opioids_MDL_0000149558	153
Anda - Hall Exhibit 11	E-mail Chain - Subject: Suspicious Customer's Cut Off - Bates Numbered Anda_Opioids_MDL_0000134998	163
Anda - Hall Exhibit 12	E-mail Chain - Subject: Naltrexone Tablet - Bates Numbered Anda_Opioids_MDL_0000136972 to Anda_Opioids_MDL_0000136974	173
Anda - Hall Exhibit 13	March 7, 2012 E-mail - Subject: RA - Top 100 Products for Top 100 Stores Review (Combined with Misc Random Research) and Attachment - Bates Numbered Anda_Opioids_MDL_0000081549 to Anda_Opioids_MDL_0000081587	187

E X H I B I T S

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THE VIDEOGRAPHER: We are now on the record. My name is Anthony Barbaro. I'm a videographer for Golkow Litigation Services. Today's date is January 22nd, 2019, and the time is 9:15 a.m.

This video deposition is being held at 2 South Biscayne Boulevard, Suite 1900, in Miami, Florida 33131, In Re: The National Prescription Opioid Litigation for the United States District Court, Northern District of Ohio, Eastern Division. The deponent is Emily Hall.

Counsel, would you now please identify yourselves for the record.

MR. STOLTZ: Adam Stoltz for the plaintiffs.

MS. KOSKI: Katy Koski for Anda, Inc., and the witness.

MS. CARDENAS: Cristina Cardenas for AmerisourceBergen from Reed Smith.

THE VIDEOGRAPHER: Counsel on the phone?

MR. SMITH: This is Reed Smith from Arnold & Porter representing Endo & Par.

MR. HUNTER: This is Tucker Hunter, Kirkland & Ellis, on behalf of Allergan Finance, LLC.

MR. HODGES: This is Nick Hodges from Jones

Day on behalf of Walmart.

MS. VAN TASSELL: This is Rebecca Van Tassell from Covington & Burling on behalf of McKesson.

THE VIDEOGRAPHER: The court reporter today is Kelly Lawton, and she will now swear in the witness.

THE COURT REPORTER: Ma'am, would you please raise your right hand.

Do you swear or affirm the testimony you're about to give will be the truth, the whole truth, and nothing but the truth?

THE WITNESS: Yes, ma'am.

THE COURT REPORTER: Thank you.

EMILY HALL, called as a witness by the Plaintiffs, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. STOLTZ:

Q. So, Emily, what is your current occupation?

A. I am the senior manager of DEA compliance.

Q. And what is DEA compliance?

A. Currently, my role is not directly related to DEA compliance. I oversee all of our licensures for all of our facilities as well as our customers and

our vendors.

Q. And when you say "licensure," are you referring to a license to distribute controlled substances? Or licensure how?

MS. KOSKI: Object to form.

THE WITNESS: State licensure, DEA licensure, controlled substance licenses. So I make sure that our customers are licensed appropriately. I make sure our facilities are licensed appropriately, and our vendors.

BY MR. STOLTZ:

Q. And in that capacity, you're familiar with both federal and state regulations?

A. Yes, sir.

Q. Okay. If there's ever a question I ask and you don't understand it, feel free to let me know.

A. Okay.

Q. If you don't tell me that you don't understand, I'm going to assume that you do understand.

A. Okay.

Q. Have you ever testified in a deposition or at trial?

A. No, sir.

Q. Okay.

MR. STOLTZ: I'd like to show you what should be marked as Exhibit 1.

(Anda - Hall Exhibit 1 was marked for identification.)

THE WITNESS: This one is for me?

MS. KOSKI: Yes. Actually, I didn't get one. We'll figure it out together.

BY MR. STOLTZ:

Q. And you can take your time reading it, but have you seen this document before?

A. No, sir.

Q. Okay. Do you see the second paragraph where it says Ms. Schultz is requested to produce on or before January 22nd, 2019, copies of all documents, data, or information reviewed in connection with preparation for this deposition?

A. Yes, sir.

Q. Did you bring any documents with you in response to this document?

MS. KOSKI: You can answer that question.

THE WITNESS: No, sir.

BY MR. STOLTZ:

Q. Did you review any documents prior to this

deposition?

A. Yes, sir.

Q. Were those documents deposition or trial testimony?

MS. KOSKI: I'm going to object and instruct you not to answer.

You are not entitled to inquire about the documents -- the substance of the documents she reviewed in preparation for the deposition.

MR. STOLTZ: Okay.

BY MR. STOLTZ:

Q. And I apologize if I already asked this, but did you look in your own personal files to find any documents that might be relevant to this litigation prior to this deposition?

A. No, sir.

Q. Did you meet with your attorneys prior to this deposition?

A. Yes, sir.

Q. And was that in person or by phone?

A. In person.

Q. And how many times did you meet with your attorneys?

A. One time.

Q. And how long was that?
A. A few hours.
Q. If you had to guess, how many hours?
A. Five.
Q. Okay. And who was present?
A. Katy and James.
Q. Did you speak to anyone else prior to this deposition?
MS. KOSKI: Object to form.
BY MR. STOLTZ:
Q. Did you speak to anyone else prior to this deposition in regards to this litigation?
MS. KOSKI: Object to form.
THE WITNESS: No.
BY MR. STOLTZ:
Q. You can answer the question.
A. No, sir. Sorry.
Q. Are you being reimbursed by your employer for your expenses in connection with this deposition?
MS. KOSKI: Object to form.
THE WITNESS: No, sir.
BY MR. STOLTZ:
Q. You're not being paid for your time here?
MS. KOSKI: Object to form.

THE WITNESS: Salary. I'm a salaried employee.

BY MR. STOLTZ:

Q. Have you ever received compensation from Anda or Allergan as a speaker at an event?

MS. KOSKI: Object to form.

THE WITNESS: No, sir.

BY MR. STOLTZ:

Q. I'd like to ask you about your educational background, if you would please briefly describe your educational background after high school.

A. I attended Broward College for two years.

Q. Okay. And did you graduate from Broward College?

A. No, sir.

Q. What did you study while you were there?

A. I studied general associates.

Q. Okay. Would you describe your employment background after Broward College?

A. I'm sorry, could you repeat the question?

Q. Can you describe your employment background after leaving Broward College?

A. I worked for Target for a few years. I moved to Hallmark. And then I went into Anda, and I have

been working for Anda for 15 years.

Q. Okay. And you started work -- when did you start working for Anda?

A. In June of 2004.

Q. And what was your position in 2004?

A. I started out as a warehouse clerk, and then shortly after that in 2004, I moved into a compliance clerk role.

Q. Okay. And what are the duties of a warehouse clerk?

A. Picking, packing, shipping, helping with the operations, getting product out the door.

Q. Okay. Does that involve actual moving boxes around?

A. Yes, sir.

Q. Okay. And then you shifted to a compliance clerk. How did the duties of compliance clerk differ from that of warehouse clerk?

A. So I started working as a compliance clerk, and my main responsibilities was licensure. So validating our customers' licensure so that they were set up in our systems appropriately enough that they were eligible to order if you were eligible to order.

Q. Just, when you say "eligible to order," just

eligible to order pharmaceutical products in general?

A. Yes, based on their state and DEA licenses.

Q. Okay. And how would you validate a customer's licensure?

A. So we would go out at that time to the state portal and validate directly through each state.

Q. What is a state portal?

A. So each state, almost every state has a website that you can go to for validation. So you can go to that website on their board of pharmacy or medical board website and validate to make sure that they are active, that they are a good expiration date, what their address is.

Q. And back in 2004, most states had such a portal?

A. Yes, sir.

Q. What would happen if a state didn't have a portal?

A. We would call them. Make a call direct in to the board.

Q. The board?

A. The individual boards. So board of pharmacy, medical board, depending on whatever -- whatever the customer falls under.

Q. Okay. So for pharmacy, that would be the board of pharmacy?
A. Yes, sir.
Q. Okay. And if it was a doctor, that would be a different board?
A. Medical board.
Q. Okay. So as a compliance clerk, you would ensure that the licensure for customers of Anda were valid?
A. Yes.
Q. Was there anything else you would do as a compliance clerk?
A. At that time, that was my main responsibilities.
Q. Okay. After working as a compliance clerk, what was your position?
A. I moved to a senior role, and then, from there, I was a registration analyst.
Q. Okay. And just going back to your time as a compliance clerk, you would be working -- were you working in a particular warehouse?
MS. KOSKI: Object to form.
BY MR. STOLTZ:
Q. As a compliance clerk, did you have -- when

it came to ensuring licenses for customers of Anda, did you do that for a particular region?

A. No.

MS. KOSKI: Object to form.

THE WITNESS: All of our customers.

BY MR. STOLTZ:

Q. Okay. Did you -- what was your business address at that time?

A. The place that I worked?

Q. Yes.

A. 2915 Weston Road, Weston, Florida.

Q. Okay. So, as a compliance clerk, you were working in the main office, or were you working in the warehouse itself?

A. That building houses both, so --

Q. Okay.

A. -- it's both a warehouse and office.

Q. Okay. And then, in 2007, you got -- you changed position to senior compliance coordinator; is that correct?

A. Yes, sir.

Q. And as a senior compliance coordinator, how did your duties change from being a compliance clerk?

A. Took on a few different roles. Managed the

pedigree and temperature monitoring in our facility, but continued with licensure.

Q. And what was that? Managed the what? You said you managed the temperature monitoring, and what was the second thing?

A. Pedigree.

Q. Okay. What is pedigree?

A. So at one time there was around 30 or so states that had different requirements on pedigrees, so passing pedigree, and Florida was one of those. So for us to pass product to certain wholesalers, we would have to pass pedigree on that product, showing lot and where it came from, who we purchased it from.

Q. And were there also requirements for temperature and humidity?

A. Yes, sir.

Q. Was that state by state?

A. State.

Q. Okay. Just the state of Florida?

A. Yes, sir.

Q. Okay. And from there -- let's go back.

As senior compliance coordinator, the compliance referred to complying with state regulations as far as pedigree and temperature and

humidity?

MS. KOSKI: Object to form.

It's okay.

THE WITNESS: As well as licensure.

BY MR. STOLTZ:

Q. Okay. As well as licensure. Were there any -- did you manage a team when it came to -- to keeping track of licensure?

MS. KOSKI: Object to form.

THE WITNESS: Not at that time.

BY MR. STOLTZ:

Q. Did you know of anyone else who helped in maintaining licensure records?

MS. KOSKI: Object to form.

THE WITNESS: Can you restate that?

MR. STOLTZ: Sure.

BY MR. STOLTZ:

Q. Were you the only person at Anda that maintained licensure records?

A. No, sir.

Q. Who else maintained licensure records?

A. Specific names?

Q. Sure.

A. There was the Cynthia Mendoza,

Sandra Bautista, and Vivian Harvey.

Q. And were they all senior compliance coordinators or --

A. I believe only one was.

Q. How did you split up maintaining licensure records?

A. Mostly it was shift-driven, so I worked a later shift than the other people on the team. So when I came in, we had shifts on e-mails and shifts on opportunities to work.

Q. And how did you ensure that the licensures -- or, excuse me, the licenses were accurate and up-to-date?

MS. KOSKI: Object to form.

THE WITNESS: We would go to the individual boards to verify their -- validate their license.

BY MR. STOLTZ:

Q. And how frequently would you update the licensure records?

A. At expiration, depending on when their board expires them, but sometimes throughout on an audit basis.

Q. When -- under what circumstances were audits performed?

A. Just random audits.
Q. Okay. Those audits were completely random?
A. Yes, sir.
Q. What was your next position at Anda?
A. I believe it was registration analyst.
Q. And what is a registration analyst?
A. At that point, I took on managing our licensure for our facilities, so making sure our three facilities were licensed.
Q. When you refer to facility, what are you referring to specifically?
A. We have three facilities, entities, and two of them are distribution centers, and one of them is a broker facility.
Q. What's a broker facility?
A. Sales center.
Q. So like a call center?
A. Yes, sir.
Q. What were your other responsibilities as a registration analyst?
A. SOPs, making sure that they were up-to-date, and as well as licensure for our customers. So I never lost that responsibility.
Q. And when you refer to SOPs, are you referring

to standard operating procedures?

A. Yes, sir.

Q. And what kind of standard operating procedures did you maintain?

A. So we're required as a wholesale distributor to have up-to-date standard operating procedures on all of our distribution activities as well as compliance activities.

Q. And who else worked with you in maintaining standard operating procedures with respect to compliance and distribution?

MS. KOSKI: Object to form.

THE WITNESS: My manager.

BY MR. STOLTZ:

Q. And who was your manager?

A. Michael Cochrane.

Q. What is involved in maintaining a standard operating procedure?

MS. KOSKI: Object to form.

THE WITNESS: Can you be --

MR. STOLTZ: Sure.

BY MR. STOLTZ:

Q. Did you draft the standard operating procedure?

A. At that time, no, sir.
Q. So what's involved -- what was your responsibilities with respect to the standard operating procedures at that time?
A. Maintaining, making sure -- partnering with the respective areas to make sure that they were up-to-date, and grabbing the correct information.
Q. Okay. When you say maintaining, does that just mean keep making sure it's not destroyed? What is involved with maintaining a standard operating procedure?
A. Reviewing. Making sure that we are reviewing it on an annual basis.
Q. What is the purpose of reviewing a standard operating procedure?
MS. KOSKI: Object to form.
THE WITNESS: We have requirements on a state level to have and house standard operating procedures.
BY MR. STOLTZ:
Q. And were those requirements -- did those requirements change while you were in that position?
MS. KOSKI: Object to form.
THE WITNESS: Can you clarify what --

MR. STOLTZ: Sure.

THE VIDEOGRAPHER: I'm sorry to interrupt. They are saying they can't hear you guys. If you guys can speak up a little louder, just because the webcam has to pick you up, too. I'm sorry.

MR. STOLTZ: Okay.

MS. KOSKI: No problem. Maybe if I push this up a little higher.

BY MR. STOLTZ:

Q. So would you agree that the purpose of reviewing the standard operating procedures on an annual basis was to ensure that Anda was in compliance with state and federal regulations?

MS. KOSKI: Object to form.

THE WITNESS: No, sir.

BY MR. STOLTZ:

Q. So why were the standard operating procedures reviewed on an annual basis?

A. To make sure that Anda was following their own procedures.

Q. So how could you ensure that Anda was following its own procedures?

A. So when you're reviewing and validating on an annual basis, you are partnering with the person that

is actually doing that process and making sure that they are following that, and if anything has changed, then we need to update the document.

Q. What are some changes, just for an example?

MS. KOSKI: Object to form.

Are you asking her to pick any random SOP and give an example of a change?

BY MR. STOLTZ:

Q. So when it comes to a compliance SOP, for example, you said that you make sure that Anda is following that SOP, and if anything has changed, we need to update the document.

What do you -- what do you mean by "anything has changed"? Could that refer to state or federal regulations, or is that referring to other type of changes?

MS. KOSKI: Object to form.

THE WITNESS: It would be a change internally. So if A plus B is no longer equalling C, we need to make sure we document that.

BY MR. STOLTZ:

Q. Okay. So can you just give an example of an internal change that would require --

A. So, for example, for receiving SOP where a receiving clerk passes a document to a receiving analyst and now that document does not -- no longer goes past the analyst, the receiving clerk manages it, that would be an example of a change.

Q. And then from registration analyst, it looks like you became manager of regulatory compliance?

A. Yes, sir.

Q. How did the position differ from your position as a registration analyst?

A. I still managed our licensure for our facility as well as our customers, but now I had some direct reports under me at that point.

Q. And who are those people? Who are those district reports?

A. The same names that I said earlier: Vivian Harvey, Sandra Bautista, and Cynthia Mendoza.

Q. So the only difference as a manager of regulatory compliance was that you had direct reports? Or were there additional responsibilities on top of maintaining accurate licenses for your customers and for Anda?

MS. KOSKI: Object to form.

///

BY MR. STOLTZ:

Q. Did your responsibilities change at all when you became manager of regulatory compliance?

A. The core of my responsibilities did not change.

Q. Okay. And what is regulatory compliance?

A. Making sure that we are monitoring and following state and federal regulations regarding licensure or so on.

Q. What's "so on"?

A. Federal regulations, changes in the environment.

Q. What do you mean by changes in the environment?

A. When there's a change in the regulations, monitoring them.

Q. When you refer to regulations, are you referring specifically to licensing requirements?

A. Yes, sir.

Q. At any point in your position as manager of regulatory compliance were you -- were you monitoring for suspicious orders by customers of Anda?

A. Yes, sir.

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Is that -- is that separate from maintaining licensure?

A. Yes, sir.

Q. So in addition to making sure everyone's licenses were up-to-date, you also monitored for suspicious orders?

A. Yes, sir.

Q. Okay. So was there anything else in regulatory compliance that you would -- are there any other responsibilities other than maintaining licensure and ensuring -- ensuring that there are no suspicious orders delivered by Anda?

MS. KOSKI: Object to form.

THE WITNESS: I'm not clear.

BY MR. STOLTZ:

Q. Okay. Sure.

What were your responsibilities with regard to monitoring suspicious orders?

MS. KOSKI: Object to form.

The objection is as to time, if you care.

MR. STOLTZ: Sure.

BY MR. STOLTZ:

Q. At any point before becoming manager of

regulatory compliance, would you have been involved in monitoring for suspicious orders?

A. No, sir.

Q. When you became manager of regulatory compliance, is that when you started to monitor for suspicious orders?

A. Yes, sir.

Q. Okay. And did you receive any training in what a suspicious order might look like?

A. Yes.

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. And what type of training was that?

A. I received internal training as well as industry training.

Q. Okay. The industry training, when did that occur?

A. I would say around 2009.

Q. Do you recall what organization put on that training?

A. Yes, sir.

Q. And what was the name of that organization?

A. DEA.

Q. Okay. Did anyone else come to that training?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Did anyone else -- any other representatives from Anda -- were any other representatives of Anda in attendance at that training?

A. Yes, sir.

Q. And who were the individuals?

A. Miguel Palma.

Q. And what was his position at Anda?

A. I don't know his exact title, but he was a manager for controlled substances in the warehouse.

Q. And why is it that Anda sent you to learn about suspicious orders in 2009?

MS. KOSKI: Object to form.

THE WITNESS: To gain some industry knowledge.

BY MR. STOLTZ:

Q. But that wasn't a part of your -- was that part of your job description in 2009?

A. Not specifically attending DEA conferences.

Q. Were you monitoring for suspicious orders in 2009?

A. Not me specifically.

Q. Who was?

A. I can't say for certain.

Q. Would it have been the individual you mentioned? Miguel Palma?

A. Miguel Palma? I can't say.

Q. So in 2009, Anda sent you and Miguel Palma to learn about monitoring suspicious orders and what suspicious orders looked like.

Is that accurate?

MS. KOSKI: Object to form.

THE WITNESS: No, that's not what I said.

BY MR. STOLTZ:

Q. Okay. What did you say?

MS. KOSKI: Object to form.

You can answer.

THE WITNESS: I attended a DEA conference.

BY MR. STOLTZ:

Q. And did Anda send you to that DEA conference?

A. Yes, sir.

Q. And what was the subject matter?

A. There was various different courses.

Q. And what were the various different courses?

A. Overall, the DEA regulations. There was our goals, 222 forms, talked about quota. Those were the topics I can remember off the top of my head.

Q. Do you recall that -- them speaking about suspicious orders?
A. I can't recall.
Q. So in 2009, you can't recall whether or not the DEA training included references to suspicious orders?
A. Correct.
Q. They didn't refer to what a suspicious order might look like?
A. I don't recall.
Q. Okay. What was Miguel Palma's position at Anda?
MS. KOSKI: Objection.
THE WITNESS: Like I stated before, I don't know his exact title, but he was a manager of controls in the warehouse.
BY MR. STOLTZ:
Q. And do you recall how long the training was?
A. Three days, I believe.
Q. Do you remember where it occurred?
A. It was in Tampa, Florida.
Q. Was it a requirement that Anda send a representative to the industry training?
MS. KOSKI: Object to form.

THE WITNESS: I do not know.
BY MR. STOLTZ:
Q. How shortly after becoming a registration analyst did you attend that DEA training?
A. I couldn't say for certain.
Q. So earlier on in the deposition, you said you received training on what a suspicious order might look like, but then you said that you don't recall whether or not you received training as to what a suspicious order looked like.
Did you -- did you recall remembering -- excuse me.
Did you, in fact, receive training on what a suspicious order looked like, or did you not?
MS. KOSKI: Object to form.
THE WITNESS: I don't believe that I said that I never received suspicious orders training.
BY MR. STOLTZ:
Q. In reference to the DEA training in 2009, you said that you had received training as to what a suspicious order looks like. That's the same meeting that -- we're talking about the same meeting?
A. No, sir.
Q. There are two different industry -- there was

two different training sessions in 2009?

A. No, sir.

Q. So I'm just trying to understand. There was just the one three-day training in Tampa, Florida, that was put on by the DEA?

A. In 2009, yes.

Q. In 2009?

A. I believe it was 2009, yes, sir.

Q. And you went to that meeting with Miguel Palma?

A. Yes, sir.

Q. Okay. And when you said that you received training as to what a suspicious order looks like, what were you referring to?

A. Our -- our electronic monitoring is a -- I had -- internal training on that from my manager. It was a leadership training, internal.

Q. And that was in addition to the training you received at the DEA training in Tampa?

A. Yes, sir.

Q. And that training --

A. That didn't occur in 2009.

Q. Okay. And when did the -- when did the internal training occur?

A. That was around 2010.
Q. Okay. And was that training formalized, or was that sort of more of an informal mentorship relationship?
MS. KOSKI: Object to form.
THE WITNESS: Can you clarify?
BY MR. STOLTZ:
Q. Did you receive formal training in 2010 as to what you referred to as your electronic system?
A. Our monitoring system, yes, sir.
Q. How long was that training?
A. It was ongoing.
Q. And who trained you?
A. The management of compliance at that time.
Q. And who was that individual?
A. Michael Cochrane and Patrick Cochrane.
Q. And when you say your monitoring system, what was the name of that system?
MS. KOSKI: Object to form.
THE WITNESS: Our electronic monitoring -- so it was a monitoring system where you were collecting information, due diligence, looking at customers.
///

BY MR. STOLTZ:

Q. Okay. What -- was there -- how did you refer to that monitoring system internally at Anda?

A. A monitoring system.

Q. All right. So when did you receive -- you said you received that training on the electronic monitoring system in 2010?

A. Yes, sir.

Q. Okay. Was -- was that monitoring system -- did you use that in your day-to-day -- in your day-to-day responsibilities?

MS. KOSKI: Object to form.

THE WITNESS: Part of.

BY MR. STOLTZ:

Q. So when you said you didn't monitor for suspicious orders until 2011, did you mean 2010?

MS. KOSKI: Object to form.

THE WITNESS: I don't recall saying 2011.

BY MR. STOLTZ:

Q. So when is it that it was part of your job to monitor for suspicious orders?

A. 2010.

Q. And that's when you were a registration analyst or when you were manager of regulatory

compliance?

A. At that time manager of regulatory compliance.

Q. So is it fair to say that your main responsibilities as a manager of regulatory compliance were to monitor licensure activities, monitor trends as far as state and federal regulation, and also monitor for suspicious orders?

A. Yes, sir.

Q. Why does Anda have a regulatory compliance department?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. In your understanding, why does Anda have a regulatory compliance department?

A. To make sure that we are following state and federal.

Q. State and federal regulations?

A. Oh, I'm sorry, yes. I said it in my head.

Q. So as manager of regulatory compliance, were you the manager of the entire regulatory department at Anda?

A. No, sir.

Q. And that was Michael Cochrane?

A. Yes, sir.

Q. How did your position differ from that of Robert Brown?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

MR. STOLTZ: Sure.

BY MR. STOLTZ:

Q. What was Robert Brown's position at Anda?

A. He was the, I believe, associate director of DEA compliance. I'm sorry, I don't remember his exact title.

Q. Sure.

And how did you guys -- how did you and Robert Brown manage the regulatory department? Did your responsibilities differ in any way?

MS. KOSKI: Object to form.

THE WITNESS: When?

MR. STOLTZ: In 2011.

THE WITNESS: I'm sorry, I'm not clear what the question is.

MR. STOLTZ: Sure.

BY MR. STOLTZ:

Q. I'm just trying to get an idea of, I guess, the organizational sort of top-down structure of the

regulatory department, and it's my understanding that Michael Cochrane was the head of the regulatory department.

Is that accurate?

A. Yes, sir.

Q. And underneath him was yourself and Robert Brown?

A. Yes, sir. That was not 2011. That was 2012, Robert Brown came on board.

Q. Okay. Do you know why Robert Brown came on board?

MS. KOSKI: Object to form.

THE WITNESS: I'm not sure.

BY MR. STOLTZ:

Q. Okay. Did you have different, I guess, direct reports, or did you share direct reports?

MS. KOSKI: Object to form.

THE WITNESS: I'm not clear on what you're asking me.

BY MR. STOLTZ:

Q. So you testified earlier that Cynthia Mendoza and other individuals would report to you directly. Were those the same individuals that would report to Robert Brown, or did you have different folks that

would report to you?

A. There was -- he had a separate team.

Q. Okay. What were -- how did the responsibilities of your team differ from the responsibilities of his?

A. So my team managed licensure as well as those other few things that we talked about: SOPs, temperature, pedigree. His team managed the DEA.

Q. Your team didn't manage -- when you say his team managed DEA, what do you mean?

A. DEA compliance.

Q. Did your team manage DEA compliance?

A. No, sir.

Q. Did Sandra Bautista manage DEA compliance?

A. No, sir.

Q. Cynthia Mendoza, did she?

A. No, sir.

Q. Did Natasha Jean-Charles manage DEA compliance?

A. No, sir.

Q. I'm going to show you what is marked as Exhibit 2.

(Anda - Hall Exhibit 2 was marked for identification.)

MR. STOLTZ: I apologize for the awkward stapling.

MS. KOSKI: I think you might have put the sticker on the back.

MR. STOLTZ: No, it's just funky. Well, did I? Well, either way.

MS. KOSKI: Do you want me to fix the sticker so it's on the front page?

MR. STOLTZ: Yes. Thank you.

Exhibit 2 is bearing Bates numbers 000570944 to 570926.

BY MR. STOLTZ:

Q. Do you recognize this document?

A. No, sir.

Q. I'd like to -- you to refer to the page bearing Bates number 570934.

MS. VAN TASSELL: Excuse me. This is Rebecca Van Tassell for McKesson.

Could you state the prefix for those numbers?

MR. STOLTZ: Sure. Anda_Opioids_MDL_000570934.

MS. VAN TASSELL: Thank you.

MR. STOLTZ: In the future I'll just refer to the prefix in the event that it's not

Anda_Opioids_MDL.

BY MR. STOLTZ:

Q. Do you see the second slide here? It says "Controlled Substance Compliance."

A. Yes, sir.

Q. Is this an organizational chart of who was in charge of controlled substance compliance at Anda?

A. No, sir.

Q. What is this?

A. This is an org chart of regulatory compliance.

Q. Okay. Does it say "Controlled Substance Compliance" at the top of the slide?

A. Yes, sir.

Q. And do you see where it says your name?

A. Yes, sir.

Q. And underneath you, it has the names of Sandra Bautista, Cynthia Mendoza, Natasha Jean-Charles, and Arlene O'Reilly.

Is that accurate?

A. Yes, sir.

Q. And do you mind reading for me their positions?

A. Sure.

Senior DEA compliance clerk, senior DEA compliance clerk, DEA compliance clerk, and administrative assistant.

Q. So when you testified earlier that your direct reports didn't deal with DEA compliance, what did you mean by that?

A. They only -- only DEA they at this time touched was DEA's registrations.

Q. And DEA registrations refers to DEA licenses?

A. Yes, sir.

Q. And those -- they in no way ever dealt with suspicious order monitoring?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Did they -- did they ever, any of your direct reports, have any involvement in suspicious monitoring, or were they only -- were they only dealing with controlled substances as it related to license -- licensure?

A. Yes, sir.

Q. You mentioned that in 2011 part of your responsibilities included monitoring for suspicious orders. Were you doing that on your own, or did your direct reports also contribute to monitoring for

suspicious orders?

MS. KOSKI: Object to form.

THE WITNESS: No.

BY MR. STOLTZ:

Q. Let me rephrase the question.

You mentioned that in 2011 that part of your responsibilities were monitoring for suspicious orders.

Is that accurate?

A. Yes, sir.

Q. Were any of your direct reports involved with monitoring suspicious orders?

A. No, sir.

Q. So when their positions refer to senior DEA compliance clerk, the DEA compliance is referring to what?

A. It's more of a standard. So you're fitting into a form. A title is fitting into a form, but they did not have any oversight -- just that it's just a title.

Q. Sure.

Did they have any involvement whatsoever in, I guess, standard operating procedure with regards to monitoring for suspicious orders?

A. No, sir.
Q. What was your involvement in monitoring for suspicious orders?
MS. KOSKI: Object to form.
BY MR. STOLTZ:
Q. How did you monitor for suspicious orders?
MS. KOSKI: Object to form.
THE WITNESS: Can you please verify?
MR. STOLTZ: Sure.
BY MR. STOLTZ:
Q. In 2011, part of your responsibilities were monitoring for suspicious orders. What does that mean?
A. Doing due diligence on our customers.
Q. What type of due diligence?
A. Dispensing data -- collecting dispensing data, collecting customer questionnaires, reviewing them, looking at their location and geographics.
Q. And did anyone -- did you -- did you do the due diligence?
A. Yes, sir.
Q. So would you collect dispensing data?
A. Yes, sir.
Q. And you would collect questionnaires?

A. Yes, sir.
Q. Would you review the questionnaires?
A. Yes, sir.
Q. And you would review the location?
A. Yes, sir.
Q. And the geographics?
A. Yes, sir.
Q. Did anyone underneath you, specifically Sandra Bautista, Cynthia Mendoza, Natasha Jean-Charles, did they also collect dispensing data?
A. No, sir.
Q. Would they collect questionnaires?
A. No, sir.
Q. Would they ever review the questionnaires?
A. No, sir. They had no involvement.
Q. They had no involvement.
So what was -- in what way would you -- I guess --
Would you specifically collect the dispensing data?
MS. KOSKI: Object to form.
BY MR. STOLTZ:
Q. Who would collect dispensing data?
MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?
MS. KOSKI: You're asking a name of a person?
MR. STOLTZ: I'm trying to understand if she was out collecting dispensing data or if someone was sending the dispensing data to her.
THE WITNESS: Requesting it from our customers.
BY MR. STOLTZ:
Q. Okay. You would directly request the data from customers?
A. Myself or a field sales representative.
Q. Okay. And when it came to, say, like a national chain, how would you go about requesting dispensing data?
A. Request it from the sales rep.
Q. Okay. Who would be -- was -- wouldn't -- who was in charge of -- who was the point of contact for retail chain pharmacies?
MS. KOSKI: Object to form.
THE WITNESS: Can you please clarify?
BY MR. STOLTZ:
Q. You mentioned a sales rep would collect the dispensing data when you needed it for a customer.
What type of customers did Anda have?

A. Retail pharmacies, hospice, long-term care pharmacies, closed-door, just to name a few.

Q. And does that also include, like, smaller individually owned pharmacies?

A. Yes, sir.

Q. Were the sales reps -- who were the sales reps for the national retail chains? Were those the same folks that would be sales reps for individual pharmacies?

MS. KOSKI: Object to form.

THE WITNESS: No, sir.

BY MR. STOLTZ:

Q. Okay. Were they in a different department?

A. Yes, sir.

Q. When you said dispensing data, what does that mean?

A. Dispensing data is a format that can be pulled from a pharmacy showing what they have done in an X amount of time frame.

Q. What they have done as far as?

A. Dispensed.

Q. Okay. And did -- what was the purpose of asking for dispensing data?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Why did you ask for dispensing data?

A. To see the big picture of the pharmacy.

Q. And why did you need to see the big picture of the pharmacy?

A. To understand if it's a pharmacy that we choose to do business with.

Q. What are some reasons why you would choose not to do business with a pharmacy?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Whose -- whose decision was it to -- who decided whether or not Anda wanted to do business with a pharmacy?

A. The compliance department.

Q. Was that your department?

A. Yes, sir.

Q. Did you decide whether or not a particular pharmacy was a pharmacy that Anda wanted to do business with?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. In your position as the manager of regulatory

compliance, was it part of your job responsibilities to decide whether or not a particular pharmacy was a pharmacy that Anda wanted to do business with?

A. Yes, sir.

Q. What are some of the factors involved in that decision?

A. Reviewing a customer's due diligence -- I mean, excuse me.

Reviewing the due diligence of a customer, including dispensing data, customer questionnaires, the geographics.

Q. And did you ever decide a particular pharmacy was not a pharmacy that Anda wanted to do business with?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. Was there ever a time when you decided that a particular customer of Anda was not a pharmacy that Anda wanted to do business with?

A. Yes, sir.

Q. Do you remember any of those occasions?

A. Not specifically.

Q. Can you think of an example?

A. No, sir.

Q. Why -- do you recall -- why would Anda not want to do business with a particular pharmacy based on due diligence?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. You referenced looking at the particular factors when deciding whether or not a customer was a customer that Anda wanted, and that included dispensing data, the contents of a customer questionnaire, and/or the geographics.

When it comes to dispensing data, what type of dispensing data would indicate that a customer was not a customer that Anda wanted to do business with?

A. Top products, opioids on the top products, bad mix, not a good -- not a good variety.

Q. What is a bad mix?

A. Not a good variety of products.

Q. Were those the only factors?

A. Part of it.

Q. Were there other factors?

A. That's all I can think of right now.

Q. So dispensing data would reveal whether or

not opioids or controlled substances were a large portion of that pharmacy's business?

A. Yes, sir.

Q. And if -- and if a pharmacy's business -- if -- excuse me.

If the proportion of a pharmacy's business -- or excuse me.

If a large proportion of a pharmacy's dispensed drugs were controlled substances, that would be a factor in deciding whether or not Anda wanted to do business with them?

A. Part of the decision, yes.

Q. Do you recall what proportion would make you not take them as a customer?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. What portion of -- how much opioids compared to their other products dispensed would a pharmacy have to dispense in order for Anda not to want to do business with?

A. There's no set number. It varies on each situation specific to that pharmacy or customer.

Q. What type of situations would justify a relatively large portion of opioids compared to other

products dispensed?

A. Depending on where they are located. Like I said before, how their questionnaire, what shows on the questionnaire, their geographics, what is their type of business.

Q. So a retail -- would that standard ever get applied differently depending on whether or not a pharmacy was a large chain or whether it was an individual pharmacy?

A. No, sir.

Q. But you did mention that that was a subjective determination, right?

MS. KOSKI: Object to form.

THE WITNESS: I'm not clear.

BY MR. STOLTZ:

Q. So when it came to reviewing due diligence, specifically dispensing data, there were situations in which a relatively large -- a pharmacy that was dispensing a relatively large amount of opioids compared to other drugs dispensed, there would be reasons why that would be justified?

MS. KOSKI: Object to form.

THE WITNESS: I don't have specifics in front of me. I would have to --

BY MR. STOLTZ:

Q. Well, hypothetically, as manager of the regulatory department, what are the types of instances that would justify a pharmacy dispensing a large amount of opioids compared to other products?

A. I'm sorry, I wouldn't be able to say. It's more of a big picture.

Q. Okay. Big picture, so --

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. So looking at the big picture, what are some instances in which a large amount of opioids dispensed compared to other products, looking at the big picture, what are some just general reasons why that wouldn't be alarming for Anda?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

MR. STOLTZ: Sure.

BY MR. STOLTZ:

Q. When a pharmacy is dispensing a large amount of opioids compared to other products dispensed, that wouldn't necessarily mean that a -- that it was a customer that Anda didn't want to do business with, right?

MS. KOSKI: Object to form.

THE WITNESS: Correct.

BY MR. STOLTZ:

Q. And what are some of the factors in deciding whether or not -- all right.

So let's say there's Pharmacy A and B, and both of them -- 50 percent of the products that both of them dispense are opioids. Or less. Let's say 20 percent.

Are there instances in which one pharmacy could be -- are there instances in which Anda would not want to do business with one as opposed to the other?

A. So depending on geographics, their speciality, also who -- who's their primary, understanding, like I said, the bigger picture of the customer. Dispensing data is not like the end-all. It's like a bigger picture of all the facts.

Q. Sure.

When you said who's their primary, what does that mean?

A. Their primary wholesaler.

Q. And how would knowing who their primary wholesaler affect the determination?

A. Well, it's an understanding, because Anda is a secondary, so -- we're a secondary wholesaler. Understanding who is their primary relationship with.

Q. How would that matter?

A. It's knowing your customer, understanding who they are, who they do business with.

Q. So how would -- how would who their primary distributor -- how would knowing who their primary distributor affects that determination?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Why does knowing who their primary distributor matter when it comes to dispensing controlled substances to a customer of Anda?

A. It's not specific. It's more of understanding who they are and what they're -- who they are doing business with overall.

Q. Right.

A. And understanding who that business core is.

Q. So part of due diligence is collecting data on a customer, right?

A. Yes, sir.

Q. And the purpose of having that data is to determine whether or not that customer is a customer

that Anda wants?

A. Yes, sir.

Q. How is knowing who their primary distributor -- how does that help Anda or yourself as the manager of regulatory compliance, how does that help you determine whether or not a customer is a customer you want to keep as opposed to refuse to dispense controlled substances to them, for example?

A. So understanding if they have more than one primary, if they have other secondaries, understanding where we fit in their big picture of their business.

Q. Is it a situations where a pharmacy would have more than one primary?

A. Possibly.

Q. If a customer were to have more than one primary, how would that affect Anda's decision to continue to dispense controlled substances to that customer?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

MR. STOLTZ: Sure.

BY MR. STOLTZ:

Q. You mentioned that it would be important to

understand whether or not a pharmacy had more than one primary, if there are other secondaries, just so Anda could understand where it fit as far as dispensing controlled substances to that customer.

Why was it important to know where Anda fit as far as dispensing controlled substances to a particular customer?

A. To understand who they are or who they are doing business with and where we fall in that -- in that picture.

Q. Right, I understand that, that you want to know who they are and who they are doing business with. But -- and that's why you asked those questions.

But why is it important to know who they are and who they are doing business with?

A. So that we know who our customers are.

Q. What other factors were involved in knowing who your customer is other than who else is selling to them?

A. Dispensing data, questionnaire, geographics.

Q. Was it important to know who a primary distributor was in order to -- would you ever contact the primary distributor?

A. Not me specifically.
Q. Would someone at Anda ever contact a primary distributor?
A. I don't know.
Q. What is a secondary distributor?
A. We're filling out-of-stocks. When a primary is out of stock and we have the product, we fulfill the orders for them.
Q. Did you ever follow up with a primary distributor to figure out why they were out of stock?
MS. KOSKI: Object to form.
THE WITNESS: Not me specifically.
BY MR. STOLTZ:
Q. But someone at Anda would do that?
A. I can't say for certain.
Q. Why is it important to know your customer?
MS. KOSKI: Object to form.
BY MR. STOLTZ:
Q. As part of regulatory compliance, what does knowing your customer have to do with regulatory compliance?
A. Providing a bigger picture on if we want to do business with a specific customer or not.
Q. What does -- how does deciding whether or not

you want to do business with a specific customer or not, how does that relate to regulatory compliance?

A. I'm not clear.

Q. Why would the regulatory compliance department be making decisions as to who Anda wants to do business with?

A. Licensing requirements.

Q. Any other requirements?

A. I'm sorry, I'm not clear.

Q. Was knowing your customer part of ensuring that Anda did not ship suspicious orders?

MS. KOSKI: Object to form.

THE WITNESS: I'm still not clear. I'm sorry.

BY MR. STOLTZ:

Q. You said knowing your customer is important to the regulatory compliance department because of licensing requirements, correct?

A. Yes, sir.

Q. So isn't checking licensing requirements -- doesn't that just require going to the state portal and making sure everything is up-to-date?

A. Sure, yes. That was part of my responsibilities.

Q. So understanding whether or not a pharmacy is licensed to order controlled substances would not require knowing what their dispensing data looked like?

A. I'm sorry, I'm not clear.

Q. So part of knowing your customer is understanding their dispensing data, having them answer questionnaires, geographics, understanding who their primary distributor is, whether Anda is the secondary distributor, if there are other secondary distributors, other primary distributors.

How does any of that relate to licensure?

A. I'm sorry, I thought we were talking about my responsibilities.

So I'm not clear.

Q. We're talking about why Anda would ask certain questions or why the regulatory department was in charge of knowing a customer. You mentioned that knowing the customer is important for licensing requirements.

I'm asking why it is that things like geographics, who the primary supplier is, dispensing data, what or how does any of that have to do with licensing requirements?

A. DEA requirements. I'm sorry. I didn't understand what your question was.

Q. Okay. What are those DEA requirements?

A. Knowing your customer.

Q. And why was it important to know your customer?

A. To understand the big picture of the customer, what they're doing, what their speciality is, who they're -- who they are doing business with.

Q. And it's your understanding that it's a DEA regulation to understand the big picture of the customer, including what they are doing, what their speciality is, and who they are doing business with?

MS. KOSKI: Object to form.

You can answer.

THE WITNESS: Knowing your customer, and knowing is being part of it.

BY MR. STOLTZ:

Q. So knowing your customer is a DEA requirement?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. DEA regulation?

MS. KOSKI: Object to form.

You are asking her what the lot is?

MR. STOLTZ: No. I'm asking her why the DEA -- excuse me -- the manager of regulatory compliance and the folks -- the DEA compliance managers were concerned with knowing their customer and if that was part of their understanding as far as complying with DEA requirements.

MS. KOSKI: You can answer.

THE WITNESS: Yes, sir.

BY MR. STOLTZ:

Q. And that related to monitoring suspicious orders as well?

A. Yes, sir.

Q. How could knowing your customer help you monitor suspicious orders?

A. So if an order is only suspicious with a big picture, looking at -- excuse me, is not suspicious when you look at the big picture of a customer, and all those other things with knowing your customer plays a role in that.

Q. So how would knowing who a primary distributor is relate to a determination as to whether an order is suspicious or not?

A. Not a determination. Just a factor.
Q. How is it a factor?
A. Just one part of the puzzle. If we are the secondary, who is their primary? Just -- just an understanding of who the customer is. It's just one factor of the big picture.
Q. And how would that factor -- how could that factor influence a determination?
I'm just trying to understand how it's relevant who the primary distributor is in determining whether an order is suspicious or not.
A. Like I said, that is only one factor. So it's just one field of --
Q. Of course.
A. -- of review.
Q. But each one of those factors is part of a determination as to whether an order is suspicious or not.
Is that accurate?
A. Yes, sir.
Q. So then how does the primary distributor factor into that determination?
A. I don't know.
Q. Don't you make the decisions as to whether or

not a customer is one that Anda wants to do business with?

A. At that time, yes.

Q. So how would who the primary distributor is factor into your decision?

A. I don't know.

Q. How would geographics factor into your decision?

A. Understanding how many people are in that area, how many different pharmacies are in that area, just getting a better under -- a better view of what's happening in that location.

Q. And how would dispensing data factor into that decision?

A. Understanding what they're dispensing.

Q. And that would include understanding the portion of their dispensed drugs that were controlled substances?

A. Yes.

Q. Were there any other things you would look for in dispensing data to determine whether or not an order was suspicious?

MS. KOSKI: Object to form.

THE WITNESS: Could you please clarify?

MR. STOLTZ: Sure.

BY MR. STOLTZ:

Q. You testified earlier that the purpose of asking for dispensing data was to better understand what portion of that pharmacy's business related to dispensing opioid products compared to the other products they dispensed.

Were there any other reasons why you asked for dispensing data other than for understanding that proportional relationship?

A. Yes. Knowing your customer, yes.

Q. So just knowing how much they dispensed in general?

A. Overall. So noncontrols as well. Just what is their mix, what are they doing, how much is going out in a specific time frame.

Q. Okay. And typically, how -- as a secondary distributor -- as a secondary distributor, did you ask for -- how did you have dispensing data for a pharmacy?

MS. KOSKI: Object to form.

THE WITNESS: Can you clarify?

BY MR. STOLTZ:

Q. How did you collect dispensing data for

Anda's customers?

A. Request it. So we either compliance or sales representative requested it.

Q. Okay. And they would provide to you their full dispensing data over a period of time?

A. Yes, sir.

Q. Typically what -- what period of time did you ask for?

A. I believe it was three months at the time.

Q. Three months?

And was it always three months?

A. I can't be certain.

Q. When -- when do you remember that it was three months for sure?

A. I believe it was 2011, 2012.

Q. Three months of dispensing data?

A. I believe so.

Q. Was that usually like the previous three months?

A. Yes, sir.

Q. Okay. In your position as the manager of regulatory compliance, if Anda got a new customer or if there was a customer that had previously ordered controlled substances, how would you determine

whether or not to supply controlled substances to that pharmacy?

MS. KOSKI: Object to form.

THE WITNESS: Can you clarify?

MR. STOLTZ: Sure.

BY MR. STOLTZ:

Q. Did regulatory compliance -- did the regulatory compliance department ever make a determination as to whether -- excuse me.

Was it part of Anda's standard operating procedure to collect -- to know your customer prior to ever dispensing controlled substances to a customer?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. At what point did -- excuse me.

If a pharmacy contacted Anda and had not previously ordered controlled substances from Anda or had never previously ordered any substances from Anda, would that customer be able to buy controlled substances from Anda?

MS. KOSKI: Object to form.

THE WITNESS: No, sir.

BY MR. STOLTZ:

Q. If that customer wanted to buy controlled substances from Anda, how would they go about doing that?

A. They would request -- the sales rep or compliance would request for a customer questionnaire and dispensing data to be filled out for review.

Q. And who would review that?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Would you review the customer questionnaire and dispensing data?

A. Yes, sir.

Q. And based on that, you would decide whether or not to supply controlled substances to that customer?

A. Yes, sir.

Q. Would you -- after you decided to supply controlled substances to a customer, were they limited in the amount of controlled substances they could order from Anda?

A. Yes, sir.

Q. And what was that limit?

MS. KOSKI: Object to form.

THE WITNESS: It would vary.

BY MR. STOLTZ:

Q. What would it vary on?

A. So the basic -- base -- excuse me -- base limits would be a thousand -- set at a thousand. If they were approved and they had just gone through the approval process and were approved, in fact, approved, they would get a base of a thousand -- a thousand units for each family, minus oxycodone and methadone.

Q. So oxycodone and methadone wouldn't factor into the thousand units?

A. No, sir.

Q. How much oxycodone or methadone could they order?

A. Zero.

Q. Zero.

So after a new customer came to Anda and they wanted to order controlled substances, they would be allowed a thousand units for each family but that wouldn't include methadone and oxycodone? They wouldn't be able to order that?

A. Yes, sir.

Q. What would they have to do to order oxycodone

or methadone?

A. They would have to do a specific request requesting those products. Those were not just given.

Q. Okay. And do you know why oxycodone and methadone weren't included in the thousand-unit limit?

A. To have more security, basically, on those specific products and a tighter understanding of who's purchasing them from us.

MS. KOSKI: Someone on the phone, can you mute? We can hear a lot of paper shuffles.

Thank you.

BY MR. STOLTZ:

Q. Were oxycodone or methadone treated differently with respect to DEA regulations than other controlled substances?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Are oxycodone or methadone, are they Controlled II substances?

A. Yes, sir.

Q. Why did Anda treat them differently than other Controlled II substances?

A. Higher abuse rate for those two specific products.

Q. When did oxycodone or methadone start being treated differently by Anda?

A. I believe from my knowledge it was around that time, 2011-ish time -- 2010. Excuse me, 2010 to 2011, sorry.

Q. And who made that decision? Do you recall?

A. Compliance management.

Q. Would that have been you?

A. Michael Cochrane.

Q. Was there ever a time where other drugs were treated differently, other controlled substances were treated different than others, specifically opioids?

MS. KOSKI: Object to form.

THE WITNESS? Can you please clarify?

MR. STOLTZ: Sure.

BY MR. STOLTZ:

Q. Starting around 2011-ish time, we know that oxycodone and methadone were not included in the initial thousand-unit limit.

Was there ever a time after 2011 where more Controlled II substances or Controlled III substances were added to that list of oxycodone and methadone

as -- as more prone to abuse?

A. I don't know the exact year but compliance management made restrictions on fentanyl as well.

Q. And was that the same restriction, just that it wouldn't be included in the initial thousand?

A. Yes, sir.

Q. Do you know if Controlled III opioids were subject to the thousand -- thousand-unit limit?

A. Controlled II. Opioids are in Schedule II.

Q. Sure.

Before drugs like hydrocodone or other combination products were Controlled II -- excuse me.

When you say family, a thousand units per product family, what is a family?

A. A chemical family.

Q. Okay. And when hydrocodone products were Schedule III, was that part of the opioid chemical family?

A. That was before my time.

Q. Do you recall when hydrocodone products were Schedule III?

A. Prior to 2010.

Q. So can you just sort of take me through the process of -- I don't know how you would refer to

it -- take me through the process of, you know, when an initial customer comes to Anda, how the -- how it's decided whether or not that customer is eligible to order controlled substances.

Was there a standard operating procedure with respect to that process?

A. Yes, sir.

Q. What was it?

A. The review of the dispensing data -- well, requesting, right. So once it's requested and we received it, it's a review of dispensing data, questionnaire; like I had said before, the geographics.

Q. And all of that data was collected prior to allowing a customer to order controls?

A. Yes, sir.

Q. Was that always the case?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. Before allowing a customer to order controls, they were required to send in the dispensing data and answer questionnaires.

What else were they required to send in?

A. Dispensing data, questionnaires, and in some cases we would request for pictures.

Q. Pictures of what?

A. Of the pharmacy.

Q. Why are pictures of the pharmacy relevant?

A. To understand the location, see how -- what it looked like on the inside if we couldn't retrieve them online.

Q. Okay. Would you ever do a site visit?

A. No, sir, not me specifically.

Q. Would someone in one of your direct contacts do site visits?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Or, excuse me, direct reports?

A. Direct report, no, sir.

Q. Who would go on site visits?

A. There has been compliance leadership that has gone on site visits.

Q. And why -- why were -- why only sometimes would site visits be conducted?

MS. KOSKI: Object to form.

THE WITNESS: I don't know.

///

BY MR. STOLTZ:

Q. Okay. Was there ever an instance where customers were allowed to buy controlled substances while you were the manager of regulatory compliance prior to providing questionnaires, diligence reports, or dispensing data?

MS. KOSKI: Object to form.

THE WITNESS: Not that I'm aware of.

BY MR. STOLTZ:

Q. What was EPIC?

A. EPIC is a buying group.

Q. What is a buying group?

A. They are a group of -- specifically, that's a group of pharmacies that get together and have a special pricing plan for going through this EPIC group.

Q. So would those mostly be individual, small pharmacies?

A. Yes, sir.

Q. So they would sort of band together in order to get better prices?

A. Yes, sir.

Q. Is it kind of like a buyer's club?

MS. KOSKI: Object to form.

THE WITNESS: I don't know.
BY MR. STOLTZ:
Q. Like the movie Dallas Buyers Club? Matthew McConaughey?
All right.
A. I do like Matthew McConaughey, though.
Q. Sure.
How many stores in EPIC?
A. Oh, I don't know.
Q. But it could be more than 50?
A. I'm sorry, I do not have that answer.
Q. What about IPA NJ? Was that also a buyers group?
A. I believe so, but I don't have specifics on them.
Q. I'm going to show you what's been marked as Exhibit 3.
(Anda - Hall Exhibit 3 was marked for identification.)
MR. STOLTZ: Bearing Bates Number 711634.
THE WITNESS: Thank you.
BY MR. STOLTZ:
Q. Is this an e-mail from Latoya Samuels to you and others?

A. Yes, it appears that way.
Q. And was -- this was sent on July 29th of 2013?
A. Yes, sir.
Q. And at the time you were the manager of regulatory compliance?
A. Yes, sir.
Q. And Latoya Samuels, she was also in the regulatory compliance department?
A. She worked under Robert Brown under the DEA compliance side.
Q. Do you recall getting this e-mail?
A. No, sir.
Q. What does the first sentence say?
A. The attached report contains a list of active accounts within the EPIC and IPA New Jersey, NJ, buying groups without a questionnaire and/or dispense data on file.
Q. What's the second sentence say?
A. Many accounts within the groups purchased a high volume of controls.
Q. So were there instances in which Anda's customers could buy a high volume of controls prior to providing a questionnaire or dispensing data to

Anda?

A. I don't know the specific case.

Q. I'm not asking for a specific case. I'm asking if that's something that happened.

MS. KOSKI: Object to form.

You can answer.

THE WITNESS: The -- as far as I know, the policy is that we are to obtain the due diligence up front. With this e-mail, I -- you know, I don't know what she was referring to.

BY MR. STOLTZ:

Q. Is she referring to buying groups of multiple pharmacies called EPIC that purchase a high volume of controls in this e-mail?

MS. KOSKI: Object to form.

THE WITNESS: That's what's written here.

BY MR. STOLTZ:

Q. And does she say that there are accounts within EPIC that do not have a questionnaire or dispensing data?

A. Yes, that's what it says.

Q. What's the last sentence of that first paragraph say?

A. It is important for us to receive this

information to determine control eligibility as we are required by the DEA to "know our customers."

Q. So knowing -- how does knowing your customers relate to determining control eligibility?

Let me ask that again, or differently.

"Control eligibility," does that mean whether or not a customer is allowed to buy controls or not?

A. Yes, sir.

Q. And "controls," that's referring to controlled substances?

A. Yes, sir.

Q. So earlier you said it was important to get dispensing data, questionnaires, geographics on a customer in order to determine whether or not they were eligible to purchase controls from Anda.

Is that accurate?

A. Yes, sir.

Q. So were there instances where customers were able to buy a high volume of controls prior to providing the necessary information to regulatory compliance?

MS. KOSKI: Object to form; asked and answered.

You can answer.

BY MR. STOLTZ:

Q. Were buying groups treated differently by regulatory compliance than individual pharmacies?

A. No, sir.

Q. Why do you think EPIC was able to buy controlled -- a high volume of controls without ever providing information to regulatory compliance?

MS. KOSKI: Object to form.

THE WITNESS: I can't -- I can't specify on this. I don't know. I don't know the details of this.

BY MR. STOLTZ:

Q. What does -- in the next paragraph, Latoya Samuels says: We have been in communication with NAMS for quite some time, and they are well -- well-informed regarding the requirements and the current status.

What is NAMS?

A. National account manager.

Q. But -- so earlier you mentioned that your responsibilities involved collecting this data -- "data" being dispensing data -- amongst other factors.

How is it that you don't know the details of

this?

MS. KOSKI: Object to form.

THE WITNESS: I only did that for 2010, 2011, and maybe a little bit of 2012.

BY MR. STOLTZ:

Q. So your testimony is that prior to this e-mail, you had no involvement with regulatory compliance as it related to knowing your customer?

MS. KOSKI: Object to form. Mischaracterizes testimony.

BY MR. STOLTZ:

Q. Was it no longer your responsibility to know your customer and monitor for suspicious orders after 2015 -- or after 2012?

A. Mine specifically, yes.

Q. When did that responsibility change?

A. Robert Brown -- when Robert Brown was onboarded, he had some training time, and then he took over that area.

Q. Why were you included on this e-mail?

A. Just maybe an FYI. I can't say for certain.

Q. So after Robert Brown was hired, you had no involvement in monitoring suspicious orders or collecting dispensing data or other factors or

deciding -- excuse me.

After Robert Brown was hired, did you have -- did you review dispensing data?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Did you review dispensing data for customers -- for new customers that wanted to be eligible for ordering controlled substances from Anda after Robert Brown was hired?

A. There might have been a period while he was in training, but after that, no. My responsibilities went back to my full-time licensure.

Q. And how else did your responsibilities as manager of regulatory compliance change after Robert Brown was hired?

A. I went back to my original role of licensure.

Q. In the last paragraph, she says: A meeting to discuss the IPA NJ group will be set for the near future and further details will follow at that time.

Was it your understanding that you would be in attendance at that meeting?

A. No, sir.

Q. But that she was -- so it's your understanding that she was giving you details as to

when a meeting would occur and when -- just as an FYI?

A. I was just a cc on this, yes.

Q. It says it was sent to you.

A. To me and one, two, three, four, five, six, seven, eight, nine, ten, eleven -- twelve other people.

Q. But it wasn't -- you weren't cc'd.

A. Yes, sir.

Q. You were a direct --

A. Yes, sir.

Q. Do you know if EPIC continued to order controlled substances from Anda after this e-mail was sent?

A. I can't say for certain.

Q. Do you know if EPIC ever provided the requested data?

A. I can't say for certain.

Q. Do you know if these accounts were ever shut down or if these accounts were ever determined to be customers that Anda did not want to do business with?

A. I can't say.

MS. KOSKI: When you get to a good stopping point, I think we have been going for about two

hours. I'm not rushing you now, but if now is good.

MR. STOLTZ: Now is good.

THE VIDEOGRAPHER: The time is 11:03 a.m. We're going off the record.

(Recess from 11:03 until 11:15 a.m.)

THE VIDEOGRAPHER: The time is 11:15 a.m. We are now back on the record.

BY MR. STOLTZ:

Q. So the DEA regulations that Anda was complying with -- regulatory compliance was in charge of making sure Anda complied with, did that include laws under the Controlled Substance Act?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. Did Anda have a duty to report suspicious orders under the Controlled Substance Act?

MS. KOSKI: Object to form.

I'll instruct you not to answer.

That's outside the special master's limitation on questions regarding that.

You don't have to answer that question.

///

BY MR. STOLTZ:

Q. So when was it that you stopped being responsible for monitoring suspicious orders or maintaining due diligence files, for example?

A. Me specifically, once Robert got on board in 2012, he had a training period. And once he was situated, I -- I stopped.

Q. Did you have standard operating procedures for suspicious order monitoring?

MS. KOSKI: Object to form.

THE WITNESS: We had SOPs for -- we have SOPs for knowing your customer, yes.

BY MR. STOLTZ:

Q. And you had SOPs for the new customer set-up process with regard to controls eligibility?

A. Yes, sir.

Q. And you also had SOPs for increasing that limit of a thousand units --

A. Yes, sir.

Q. -- of controlled substances?

And SOPs for reviewing suspicious orders?

A. It was an all-inclusive SOP, I believe.

Q. Okay. I'm going to show you what's been marked as Exhibit 4.

(Anda - Hall Exhibit 4 was marked for identification.)

BY MR. STOLTZ:

Q. Does this document look familiar to you?

A. Yes, sir.

MR. STOLTZ: Excuse me. The Bates Number is 140495.

BY MR. STOLTZ:

Q. Is this the suspicious order monitoring policy, or was it the suspicious order monitoring SOP for Anda?

A. Yes, that's what the title is.

Q. And this SOP applies to all Anda DEA compliance analysts?

Is that accurate?

A. Yes, sir.

Q. On Page 3, Bates Number 140497, it has the revision history at the bottom of the page. And it says here you reviewed and/or revised this SOP in June of 2013, June of 2014, August of 2014, and February of 2015.

Is that accurate?

A. Yes, that's how it appears.

Q. And this SOP refers specifically to the

monitoring of suspicious orders?

A. That's the title.

Q. And is it your testimony that you were not involved in suspicious order monitoring after Robert Brown was hired by Anda?

A. I stated earlier I partner with the individual groups to make sure that the SOPs are up-to-date on an annual basis.

Q. In revision history, did Robert Brown ever revise this document, at least up to and including February 1st, 2015?

MS. KOSKI: Object to form.

You may answer.

THE WITNESS: His name is not on here.

BY MR. STOLTZ:

Q. And is it your testimony that he was in charge of suspicious order monitoring once he was hired?

A. Yes.

Q. But that you were -- does it say you edited this document on February 1st, 2015?

A. Yes, it reads that.

Q. So you had the ability to actually alter the suspicious order monitoring SOP after you no longer

had any involvement in suspicious order monitoring?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Is that your testimony?

A. As I just stated, that I manage all the SOPs for the distribution, as well as compliance, and I work directly with the individual departments or group manager to make sure that the SOPs are updated annually.

Q. And that includes making changes to the SOP itself up to February 2015?

A. When applicable, yes, sir.

Q. So is it fair to say that you were involved with suspicious order monitoring at least until February of 2015?

MS. KOSKI: Object to form.

THE WITNESS: The SOP.

BY MR. STOLTZ:

Q. You were involved in the SOP for what?

A. This SOP Number 40, I helped update it annually.

Q. What is the title of this SOP?

A. Suspicious order monitoring.

Q. So you were involved in the standard

operating procedure, including editing the standard operating procedure, for suspicious order monitoring until 2015?

A. For all SOPs that relate to compliance as well as distribution.

Q. What's a user-defined multiplier?

A. Where are you reading that?

Q. Under 1.0, Scope. It's the last line. End of the last line.

A. So meaning the algorithm. The internal algorithm.

Q. Do you recall what the algorithm was?

A. No, sir.

Q. The multiplier itself, the user-defined multiplier, refers to the algorithm?

A. Yes, sir.

Q. And Anda had an algorithm back when this document was drafted in December of 2011?

A. Yes, sir.

Q. What was involved in the review of this SOP?

A. Sitting down with Michael and Robert to make sure that these are the policies for the specific SOP.

Q. So Michael Cochrane, the executive director

of regulatory compliance; Robert Brown, the director of compliance; and yourself, the manager of regulatory compliance, would annually review the standard operating procedure with respect to suspicious order monitoring?

A. Yes, sir.

Q. What, if any, measures did Anda put in place to prevent the diversion of opioids other than monitoring suspicious orders?

MS. KOSKI: Object to form.

THE WITNESS: The due diligence beforehand, setting up the customer.

BY MR. STOLTZ:

Q. Would that also include reporting suspicious activity to the DEA?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. Would Anda ever report suspicious orders, orders of interest, to the DEA for the purpose of preventing diversion?

A. Yes, sir.

Q. Do you recall if anyone at Anda or yourself reported a suspicious order or an order of interest

to the DEA for the purpose of preventing diversion?

MS. KOSKI: Object to form.

THE WITNESS: Yes, sir.

BY MR. STOLTZ:

Q. Can you recall specific instances?

A. No, sir.

Q. Would you agree that suspicious orders indicate that diversion may be taking place?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. Would you agree that suspicious orders, like suspiciously large orders or orders that deviate from their dispensing patterns, would indicate that diversion is taking place?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. The diversion of opioid products?

MS. KOSKI: Same objection.

THE WITNESS: Possibly.

BY MR. STOLTZ:

Q. Would you agree that one of the purposes of Anda's suspicious order monitoring policy was to prevent or minimize diversion?

A. Yes.
Q. Would you agree that signs of diversion can be observed through dispensing data?
MS. KOSKI: Object to form.
THE WITNESS: Possibly.
BY MR. STOLTZ:
Q. Would you agree that a failure to collect data could lead to diversion?
MS. KOSKI: Object to form.
THE WITNESS: Can you please clarify?
BY MR. STOLTZ:
Q. Would you agree that the failure to collect dispensing data, questionnaire, or other data required by Anda before making a sale of opioids, do you agree that the lack of that data could cause Anda to ship suspicious orders and contribute to diversion?
MS. KOSKI: Object to form.
THE WITNESS: Possibly.
BY MR. STOLTZ:
Q. When Anda collected dispensing data, did it collect that on a rolling basis or was that only when -- when Anda collected dispensing data, what instances would Anda collect dispensing data for

controlled substances?

A. The policy states for new customers.

Q. What about when a customer wanted to order more controlled substances than was allowed by Anda?

A. Possibly, yes.

Q. Typically, how many months would Anda ask for dispensing data?

A. I believe when -- 2011, 2012, I believe it was about a three-month period.

Q. Would you agree that on order -- orders of unusual frequency would indicate that diversion was taking place?

MS. KOSKI: Object to form.

THE WITNESS: Not necessarily.

BY MR. STOLTZ:

Q. Would you agree it's possible?

A. Possible.

Q. Would you agree that three months of dispensing data is not enough dispensing data to see unusually -- let me rephrase that.

As a manager of regulatory compliance, were you able to determine whether or not an order deviated from their standard averages as far as dispensing data, could you determine a deviation with

only three months of dispensing data?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. How could you determine whether or not an order was unusual if you only had three months of dispensing data?

A. There was an algorithm built to determine.

Q. And that algorithm was based on the three months of dispensing data?

A. No. The algorithm is based on the customer, and then there's some -- it might even be in this SOP, some -- some criteria that stops an order. And one of those being unusual frequency.

Q. And the data that was input into that algorithm would include three months of dispensing data?

A. No, sir.

Q. What would be inputted into the algorithm?

A. As a secondary, the data of that customer doing business with Anda.

Q. So Anda -- so after Anda approved the customer to order controlled substances from it, it would no longer look at the three months dispensing

data from when it was initially approved. At that point, it would rely on the data of what Anda itself had dispensed to that customer?

MS. KOSKI: Object to form.

THE WITNESS: Not necessarily.

BY MR. STOLTZ:

Q. What else would it rely on?

MS. KOSKI: Object to form.

You can answer, if you can answer.

THE WITNESS: Can you clarify, please?

MR. STOLTZ: Sure.

THE WITNESS: Thanks.

BY MR. STOLTZ:

Q. So you said as a secondary, the data of what would be inputted into the algorithm would be -- as a secondary, the data of what would be inputted into the algorithm that customer doing business with Anda.

So just correct me if I'm wrong, but my understanding of that statement is that in order to determine whether a particular order was unusual, the algorithm would look at the entirety of the history and course of conduct, business with that particular customer, and Anda?

A. Correct.

Q. As a secondary distributor, how could Anda ever know the aggregate amount of opioids that a customer was ordering from other sources?

MS. KOSKI: Object to form.

THE WITNESS: The dispensing data.

BY MR. STOLTZ:

Q. The three months of dispensing data or was -- was the aggregate dispensing data for customers collected throughout a course of business with Anda, or was that only at the initial stage of deciding whether or not they were eligible for controls?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

MR. STOLTZ: Sure.

BY MR. STOLTZ:

Q. Did Anda collect aggregate -- collect the aggregate dispensing data of its customers, specifically customers that used Anda as a secondary distributor?

A. Yes, sir.

Q. So Anda was aware of the full amount of what a -- Anda would know exactly how much a customer had dispensed in opioids over every month that that customer had been allowed to order opioids from Anda?

MS. KOSKI: Object to form.

THE WITNESS: I'm sorry, I'm still not clear.

MR. STOLTZ: Sure.

BY MR. STOLTZ:

Q. So on one hand we have Anda knowing what it dispenses to a customer, right, and that data is filtered through an algorithm in order to determine whether or not an order is suspicious.

Is that accurate?

A. Yes, sir.

Q. And that data was only what Anda was distributing to a particular customer.

Is that accurate?

A. Yes, sir.

Q. So would Anda know -- did Anda continue to collect the aggregate amount -- so what a customer was getting from a primary distributor, would it know what it was getting from a primary distributor as well as what Anda was distributing to that customer?

A. Correct. The dispensing data.

Q. And it would have that data for every month that Anda had -- was doing -- was distributing controlled substances to that customer?

MS. KOSKI: Object to form.

THE WITNESS: No.

BY MR. STOLTZ:

Q. How many months?

A. As I stated, I think at that time we requested around three months, but it varied based on customer.

Q. Okay. So past -- past the three months that you would collect, Anda wouldn't continue to ask those customers for their -- the entirety of their dispensing data, or was there ever a time -- past the initial three months of dispensing data that was requested, was there an instance where Anda would ever ask for aggregate data as to the total amount of opioids that were being ordered both from Anda and from primary distributors?

A. Yes, sir.

Q. And when did that occur?

A. So at initial as well as -- it varies per customer, but sometimes if a customer was coming for an increase and the data was older or it's been awhile since we had some fresh data, we would request.

Q. But until that time, until a customer asks for an increase, Anda wouldn't know how much it had

ordered from its primary distributor in the month prior?

A. Can you please clarify?

Q. Sure.

Unless a customer asks for an increase, Anda wouldn't check to see how much that customer was dispensing in aggregate, specifically opioids?

A. Dispensing data as well as our internal system allowing us to capture what they were doing with Anda.

Q. But that dispensing data wouldn't be up-to-date. It would be from when they initially became eligible to buy controls?

A. Initially when they became eligible and as well as in situations we would request further dispensing data.

Q. And one of those situations would be when they would ask for an increase in how much they could order?

A. Possibly, yes.

(Anda - Hall Exhibit 5 was marked for identification.)

BY MR. STOLTZ:

Q. I'm showing you what's been marked as

Exhibit 5.

A. Okay.

Q. Bates Number 133286?

And I just want to refer to you -- refer you to the third e-mail on the first page.

Is that an e-mail from Pat Williams to you?

A. Yes, it appears that way.

MS. KOSKI: Are you in the middle of the first page?

MR. STOLTZ: Yeah. Yeah. Middle of the first page, e-mail sent at 6:03 p.m., The subject line, "Remedy - Control Requests."

BY MR. STOLTZ:

Q. So what is Patricia Williams referring to when she says Remedy - Control Requests in the subject line? Excuse me, what does Sabrina Solis? She sent the first e-mail. What is she referring to by "Remedy - Control Requests"?

A. I could assume she's talking about our remedies, our internal system where we funnel opportunities from various departments. It's a -- basically like a task management system.

Q. And if a customer of Anda wanted to increase its limits on controlled substances or increase the

limits that Anda imposed upon that customer, what was the -- what was the process for that?

A. We set up a process for the task management, remedy, so this internal system that's called Remedy.

Q. So would the customer contact their sales rep and ask for an increase?

A. Yes, sir.

Q. And then what would that sales rep do?

A. Submit a task in Remedy.

Q. And who would review that?

A. The DEA analyst.

Q. Okay. And one of the things Patricia Williams is worried about are what happens when one of the sales reps sends in a request for an increase.

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. What -- that last dash on the 6:03 p.m. e-mail, what -- do you mind reading that for me?

A. The last dash?

Q. Yeah. Sure.

A. The risks associated with sending in a request for an increase. I have just recently sent the sales managers some information based on some things I've seen occur when a dispensing data is

submitted. They run a risk of all controls being pulled when we see what they are dispensing as an aggregate volume.

Q. So is it fair to say that Anda would not collect the aggregate volume of controls that its customers were being -- were dispensing?

MS. KOSKI: Object to form.

THE WITNESS: No, sir.

BY MR. STOLTZ:

Q. What does Patricia -- what is your understanding of when we see that what they are dispensing as an aggregate volume? Does she mean that Anda didn't previously see what they were dispensing as an aggregate volume?

MS. KOSKI: Object to form.

THE WITNESS: I don't know what she was referring to.

BY MR. STOLTZ:

Q. Do you think she means that regulatory wouldn't look at aggregate volume until an increase was requested?

MS. KOSKI: Object to form.

THE WITNESS: No, sir.

///

BY MR. STOLTZ:

Q. So is it no or you don't know what she's referring to?

A. I don't know what she's referring to. I said no to your last question.

Q. So you don't know what she's referring to but you know that she's not saying that regulatory wouldn't have the aggregate volume of dispensing data until a request for an increase?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. Are you saying that she is not saying -- are you saying that she is not referring to regulatory's ability to see what customers are dispensing as an aggregate volume?

MS. KOSKI: Object to form.

THE WITNESS: No, sir.

BY MR. STOLTZ:

Q. No as in she is referring to the regulatory's ability to see an aggregate volume? Or no as in that's definitely not what she's referring to?

A. I don't know what she's referring to. I can tell you that compliance does request dispensing data

on an aggregate form, so . . .

Q. Do they request that data throughout the relationship -- does Anda have every month of aggregate dispensing data for all its customers that are eligibles for controls?

A. No, sir.

Q. Does Anda only ask for aggregate data when a customer has asked for an increase in their control limit?

A. No, sir.

Q. Are there other instances in which Anda asks a customer for aggregate dispensing volume?

A. New customer.

Q. Is that the only instance in which Anda asks for aggregate dispensing data at to volume of opioids dispensed?

MS. KOSKI: Object to form.

THE WITNESS: I can't say a hundred percent that that would be the only two reasons.

BY MR. STOLTZ:

Q. Do you know of any other reasons why Anda would have -- would request the aggregate volume of dispensed controls?

A. Not off the top of my head.

Q. Is it true that sales was frustrated that whenever they asked for an increase in the control limit, not only would that control limit be denied, but regulatory compliance would decide that that customer was not a customer that Anda wanted to do business with?

MS. KOSKI: Object to form.

THE WITNESS: I can't say what their feeling was, but I can say that compliance was the final deciding factor if Anda was going to do business with -- controlled business with a customer.

BY MR. STOLTZ:

Q. Wouldn't you agree that prior to that increase -- would you agree that had Anda had that aggregate data, aggregate volume of controls being dispensed -- if Anda had collected aggregate dispensing data prior to an increase request, isn't it true that many of these customers would have been shut off from buying controls?

MS. KOSKI: Object to form.

THE WITNESS: I can't say that.

BY MR. STOLTZ:

Q. But can you say that customers often were shut off from controls when aggregate dispensing data

was supplied to Anda?

A. At times, yes.

Q. And if that data had been available prior to that time, they would have been cut off from controls then, right?

MS. KOSKI: Object to form.

THE WITNESS: I can't say.

BY MR. STOLTZ:

Q. When someone in sales had a question of -- a question about regulatory compliance, would they often come to you?

A. Possibly, yes.

Q. And are requests for an increase in controlled substance limits -- are those called opportunities?

A. Remedy is where the opportunity lies. It's just a task management.

Q. Did Anda ever conduct any audits of its own suspicious order monitoring policies?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. Did Anda ever contract with outside third parties in order to determine the effectiveness of

their suspicious order monitoring policies?

MS. KOSKI: Object to form.

THE WITNESS: I can't say for certain.

Q. Were you ever provided any incentive to identify suspicious orders?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. Did Anda ever incentivize you to find suspicious orders?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Were you ever -- did you receive a bonus from Anda?

MS. KOSKI: Object to form.

THE WITNESS: Yes.

BY MR. STOLTZ:

Q. And what was your bonus based on?

A. My bonus was based on my performance for the previous year.

Q. And was part of your performance identifying suspicious orders?

MS. KOSKI: Object to form.

THE WITNESS: At one time, yes.

BY MR. STOLTZ:

Q. Do you know if Anda has ever been penalized by state or federal entities relating to its monitoring or reporting related to controlled substances?

MS. KOSKI: Object to form. Calls for conclusion of law.

If you know as a matter of fact, you can answer the question. You can answer if you know as a matter of fact.

THE WITNESS: I don't know as a matter of fact, no.

BY MR. STOLTZ:

Q. Would you agree that once opioids are diverted, there's no way to control or even determine where they will end up geographically?

MS. KOSKI: Object to form.

THE WITNESS: I can't say for certain.

BY MR. STOLTZ:

Q. Isn't it possible that a pharmacy over-ordering -- isn't it possible that a large -- unusually large order of opioids sent to one state could easily end up diverted to another state?

MS. KOSKI: Object to form.

Are you asking her a hypothetical?
MR. STOLTZ: Yes.
MS. KOSKI: About whether something is possible or not?
MR. STOLTZ: Sure.
BY MR. STOLTZ:
Q. Would you agree that -- how about this.
Would you agree that Anda can't control or even determine where -- where pills that it has shipped -- opioids that are shipped -- it doesn't have control or can't determine where those opioids wind up?
MS. KOSKI: Object to form.
THE WITNESS: That's why it's important for us to know who our customer is.
BY MR. STOLTZ:
Q. So you would agree?
MS. KOSKI: Object to form.
THE WITNESS: I don't -- can you please clarify?
BY MR. STOLTZ:
Q. Would you agree that Anda -- in a large order by Anda -- wouldn't you agree that Anda doesn't have -- hold on.

Would you agree that Anda's profits increase with the volume of drugs supplied to pharmacies?

MS. KOSKI: Object to form.

THE WITNESS: Yes.

BY MR. STOLTZ:

Q. If a suspicious order is held, what happens next?

MS. KOSKI: Object to form.

THE WITNESS: A review of that customer occurs.

BY MR. STOLTZ:

Q. What are the consequences of that review?

MS. KOSKI: Object to form.

THE WITNESS: Clarify, please.

BY MR. STOLTZ:

Q. What is the purpose of reviewing that customer?

MS. KOSKI: Object to form.

THE WITNESS: To make sure that this is an order that we want to ship to this customer.

BY MR. STOLTZ:

Q. And if you decide that that is an order that you do not want to ship, then what happens?

A. Hypothetically, I mean, the policy is to

report it and cut the customer off.

Q. So the policy -- after a suspicious order is held for review and ultimately is not shipped, the policy is to report it? Who do you report it to?

A. To the local DEA offices.

Q. And when you report that suspicious order, do you report just the customer, or is it the order itself? How does that work?

MS. KOSKI: Object to form.

THE WITNESS: It varies.

BY MR. STOLTZ:

Q. What does it vary on?

A. If there is an order to report, we report the order. If there's only a customer to report, we would report the customer.

Q. In what type of instances would -- do you report an order as opposed to a customer that ordered it?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. Well you said that either you report the customer or you report the order itself. I'm just asking: What type of scenario would you report the

order and not the customer?

A. No, I'm sorry. To clarify, the order will always come over -- will always get reported with a customer, yes.

Q. What other type of customers did Anda have -- or what other -- what other types of customer did Anda distribute opioids to?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Other than pharmacies, who did Anda distribute opioids to?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. Anda distributed drugs to pharmacies, retail chains. What other types of customers?

A. In this time frame, the majority was all pharmacies, whether it was an independent or -- excuse me -- retail, closed door, open door.

Q. Okay. Would Anda ever distribute to other wholesalers or distributors?

MS. KOSKI: Object to form.

THE WITNESS: I believe after -- around this time, there may have been one other wholesaler,

but our practice was not to distribute to wholesalers.

BY MR. STOLTZ:

Q. When you decided that a customer is one that Anda no longer wanted to do business with, did you report that customer to the DEA?

A. Yes, sir.

Q. Was that always the policy while you were in charge of making those type of decisions? Until Robert Brown was hired?

A. Yes, sir.

Q. Who was responsible for reporting suspicious orders to the DEA?

A. Compliance.

Q. And that was your department?

A. Yes, sir.

Q. I'm going to show you what's been marked as Exhibit 6.

(Anda - Hall Exhibit 6 was marked for identification.)

MR. STOLTZ: Bearing the Bates Number of 147166.

BY MR. STOLTZ:

Q. And this is Mary Barber -- an e-mail from

Mary Barber to you in 2016.

Is that accurate?

A. Yes, it appears that way.

Q. And the subject line is "Bucket."

Is that true?

A. Yes, sir.

Q. I guess I have the same question that Mary had: Can you explain the multiplier on the SOMS reason codes?

Can you -- can you explain to me what the multiplier on the SOMS reason code is?

[redacted]

times.

Q. What does that mean?

[redacted]

Q. And the multiplier is referring to their control limits?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Is this referring to control limits?

A. No, sir.
Q. What does bucket refer to?
A. This is the algorithm for our internal suspicious order monitoring.
Q. So this refers to suspicious order monitoring?
A. Yes. This is the actual algorithm here, just simplified.
[redacted]
MS. KOSKI: Object to form.
BY MR. STOLTZ:
[redacted]
MS. KOSKI: Object to form.
THE WITNESS: No, sir.
BY MR. STOLTZ:
Q. So what is the multiplier?
A. This has nothing to do with customer limits. That is what is flagged as a suspicious order.
Q. Okay.
A. It's two separate.
Q. Can you explain the difference?

A. So a limit is what a customer is granted, right? This is your limit. You can't go over this limit when we talked about 1,000-unit family limit.

This is an algorithm. So if they place an order within that 1,000 family unit, let's say one piece of something, and it gets flagged based on this algorithm, any of these steps, that is now considered a suspicious order in the bucket. Bucket.

Q. And then that bucket would be referred to the DEA? If a customer's order got put in the bucket, that bucket is being sent to the DEA, or is it being sent somewhere else?

A. No. This is an internal bucket to review suspicious orders.

Q. So a customer would have to order more than eight times its average in order for that order to be held?

A. No. So you take the whole -- the whole line -- you take the DEA quantity for that month. So everything they did for that month, times it by the six-month -- I mean, excuse me, divide it by the six-month time frame, and then you multiply that by the multiplier.

Q. So would it be possible for -- so if

somebody -- if somebody ordered past their limit -- let's say their limit is 5,000 units. If a customer tried to order 6,000 units, is that a suspicious order?

A. A customer cannot order past their limit.

Q. Okay. And if they attempt to order past their limit, what happens then?

A. They can't.

Q. Does that ever get reported in any system?

A. No.

Q. Does that order ever get referred to the DEA as suspicious?

A. Not that I'm aware of.

Q. What is the purpose of the control limit?

A. It's a comfort level for us to give them a specific quantity for a family based on when we set them up and we did the review on them.

Q. Is the control limit mechanism in which Anda can avoid shipping suspicious orders?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. Is the control limit purpose to avoid shipping suspicious orders to customers?

A. No, sir.

Q. It's the control -- so it's your testimony that the control limit that's imposed upon Anda's customers, specifically related to controlled substances, is entirely separate and apart from the suspicious order monitoring system?

MS. KOSKI: Object to form. It mischaracterizes testimony.

You can answer if you can answer it. You can let him know if you can't.

BY MR. STOLTZ:

Q. Anda doesn't want to ship suspicious orders, right?

A. Yes.

Q. And part of that reason is because, if it does, it can contribute to diversion?

A. Yes, sir.

Q. And another reason would be that it could have fines imposed?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. And part of regulatory compliance's job is to avoid situations where Anda is contributing to the diversion of opioids, right?

A. Putting the company at risk, yes, sir.
Q. And one way to put the company at risk would be to -- to contribute to diversion?
MS. KOSKI: Object to form.
BY MR. STOLTZ:
Q. One way to put the company at risk would be to accidentally ship suspicious orders.
Is that accurate?
A. Possibly, yes, sir.
Q. Is the purpose behind the control limit imposed by Anda upon its customers to avoid getting Anda into -- to avoid putting the company at risk?
A. That's part of, yes, sir.
Q. And how are those limits decided upon?
A. At new account setup, we have a standard setup limit for basic retail pharmacies that are of a certain size. But if anything, from there, if there's a greater volume or a bigger pharmacy, then we can review individually.
Q. So if a mom-and-pop pharmacy has a limit of 1,000 units and they are within that limit for as long as Anda's been doing business with them, all of a sudden that pharmacy orders 100,000 units, they wouldn't be able to get that from Anda?

A. Correct.
Q. Would that be a suspicious order?
MS. KOSKI: Object to form.
THE WITNESS: No. The limit is set. So they cannot go past that limit unless it's requested.
BY MR. STOLTZ:
Q. Right. I understand why the limit is set. The limit is set to prevent pharmacies from ordering more than their limit, correct?
A. If they attempted -- if they had a 1,000 limit family and they attempted to order 100,000, they would not be able to.
Q. They would not be able to?
A. They have a hard stop, yes.
Q. And that would not be reported to the DEA?
A. No.
Q. I'm going to show you what's been marked as Exhibit 7.
(Anda - Hall Exhibit 7 was marked for identification.)
MR. STOLTZ: Bates number 137399.
BY MR. STOLTZ:
Q. Do you recognize this e-mail from Mary Barber to you?

A. No, sir.
Q. But this is an e-mail from Mary Barber to you?
A. It appears that way.
Q. And this was sent on -- in August of 2013?
A. Yes, sir.
Q. And Mary Barber is a DEA compliance analyst, right?
A. Yes, sir.
Q. Was she one of your -- did she direct -- did she report directly to you?
A. No, sir.
Q. She asks you -- what does she ask you to do in -- excuse me.
She says to you and Sabrina Solis and Latoya Samuels, she says: New account. Control is denied. DD on file. Customer 499221, Staywell Pharmacy. Located in Tampa, Florida.
She then sends a follow-up e-mail to you less than an hour later, saying: Please do not report this account.
Did you have the final say on whether or not to report an account or an order to the DEA?
MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?
BY MR. STOLTZ:
Q. You testified earlier that once a customer made a suspicious order, that would be referred to the DEA, right?
A. Yes, sir.
Q. Was that an automatic process, or would you have the autonomy to decide whether or not to report that suspicious order?
MS. KOSKI: Object to form. Mischaracterizes the document.
BY MR. STOLTZ:
Q. Was reporting suspicious orders to the DEA -- was that an automatic process?
A. No, sir.
Q. Would you decide whether or not you wanted to report a suspicious order to the DEA?
MS. KOSKI: Same objection.
You can answer.
THE WITNESS: At this time, no. The analyst would make the determination.
BY MR. STOLTZ:
Q. Why would she send this to you?
MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. It says that she is a DEA compliance analyst.

A. To report this to the DEA.

Q. What does she say to you?

A. I'm sorry?

Q. What did she say to you?

A. New account. Controls denied.

Q. In the later e-mail.

A. Do not report.

Q. So she's asking you to not report the account for a suspicious order.

MS. KOSKI: Object to form. Mischaracterizes the document.

BY MR. STOLTZ:

Q. Is she asking you not to report an account to the DEA?

A. It appears that way.

Q. But that was -- that was DEA -- that was the compliance analyst's decision on whether or not to do that, or was it your decision?

A. The DEA analyst's decision.

Q. Isn't Mary Barber a DEA compliance analyst?

A. Yes, sir.

Q. Then why should she be asking you not to

report this account to the DEA if it was her decision to make?

A. She's saying she doesn't want it reported. Her follow-up e-mail says she does not want it reported.

Q. Is she asking you not to report it?

A. Yes, it appears that way.

Q. Was it the standard operating procedure for a DEA compliance analyst, at least in 2013 or up to 2013, to tell you whether or not something should be reported?

A. There was a report that would get submitted, and everyone would funnel it through that specific person. Maybe at that time it was me. I can't say for certain.

Q. Do you recall the name of that report, if it had a standard name or a format?

A. I believe the report is called Customer Cutoff.

Q. And that Customer Cutoff Report, that would -- or might have come through you, up through 2013?

A. Yes, sir. Around 2010 until -- I'm not sure the end time, but probably around this time.

Q. And you would decide whether or not to send that report to the DEA?

A. No, sir.

Q. Did the person who had that job of getting the Customer Cutoff Report, would they have that decision as to whether or not to report it to the DEA?

A. The analyst would make the final determination.

Q. And at this point you may have been an analyst?

A. No, sir.

Q. But you may have been the person making the decision at this point?

A. No, sir. The analyst, Mary Barber.

Q. You just testified that, you know, when I asked you, and that Customer Cutoff Report, that would come through you up until 2013? And you said, yes, sir, around 2010 until -- I'm not sure.

So at one point it was your responsibility to send or not send a cutoff -- a Customer Cutoff Report to the DEA?

A. The file at one point was sent by me. The analyst would make the final determination.

MS. KOSKI: I just want you to know lunch is available whenever you want to stop.

MR. STOLTZ: Yeah. Sure. Let's take lunch.

MS. KOSKI: You want to do it now?

MR. STOLTZ: Yeah.

THE VIDEOGRAPHER: The time is now 12:27. We are going off the record.

(Recess from 12:27 until 1:18 p.m.)

THE VIDEOGRAPHER: The time is 1:18 p.m. We are now back on the record.

BY MR. STOLTZ:

Q. I wanted to direct you back to SOP 40. And was that Exhibit 5? Is it Exhibit 5? 4?

A. Four.

Q. I wanted to direct you to the bottom of Page 2, being "The Following Are Release Reasons for Held Orders."

When it says release reasons -- or, excuse me, what does release mean in the context of this sentence?

A. Release is in our internal SOMS system.

Q. So would release mean that an order will ship? Is that what it means, that it's no longer held?

A. Correct.

Q. What are some of the reasons why a held order would ultimately be shipped according to this document?

A. Did you want me to read it?

Q. Sure.

[redacted]

Oh, I'm sorry.

MS. KOSKI: It's a double-sided document.

THE WITNESS: Consistent with customer class order pattern, administration release, customer call not required, released unchanged with DEA/state authority concurrence. Orders that exceed the above criteria and cannot be released with an appropriate reason listed above will be reported to the appropriate state and federal agencies.

BY MR. STOLTZ:

Q. What does an administration release mean?

A. I'm not sure. I'm assuming that would be the analyst release.

Q. So one of the reasons why a held order can be delivered is because someone thinks that it should be?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. An analyst decides that it should be?

A. Correct. All orders are reviewed by analysts, yes.

Q. Okay. And one of the reasons here, at reason

[redacted]

How -- why would that affect an order's suspiciousness?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

[redacted]

[redacted]

A. Possibly.

Q. Okay. And that would be a reason for potentially releasing that order from being held and delivering that order?

A. Well, after the full review is done, yes, sir.

Q. What are the reasons given for not releasing a suspicious order according to this document?

A. I'm sorry, could you please clarify?

Q. So this is the standard operating procedure with regard to suspicious order monitoring?

A. Yes, sir.

Q. This is sort of the -- I guess the step-by-step process in deciding whether or not suspicious orders will be delivered or if they will be held indefinitely, pending a report to the DEA, right?

A. Yes, sir.

Q. And here we see eight reasons why you could release an order.

(Knock on conference room door.)

MS. KOSKI: Come on in.

BY MR. STOLTZ:

Q. And first, I suppose, an analyst, if they are reading this, is supposed to read it from left to right, top to bottom?

A. Yes, sir.

Q. Kind of like a flowchart?

A. Yes, sir.

Q. So first it asks: Is there an increased supply to a new or existing patient, right?

Well, once they got to finally Step 6 in the process, they would get to the reasons why a held -- a held order can be released, right?

MS. KOSKI: Object to form.

THE WITNESS: Yes, sir.

BY MR. STOLTZ:

Q. And they would start with one, increase supply to new or existing customer or patient, and they would go through each one of those to decide which one of those would apply and which one of those could explain the increased order, the unusual order.

And they would go through all eight of those potential reasons as to why an order would be

increased.

What I'm asking is: Where -- where is the list of situations in which an order should not -- should continue to be held?

A. Just to clarify, the order wouldn't be increased. It would be released, not increased --

Q. Right.

A. -- based on the limits.

Q. That's what I meant.

A. Okay. So I don't see them on here, but based on your due diligence review, right. So there is an option to delete an order, and it would get reported there.

Q. Deleted orders get reported to the DEA?

A. Yes, sir.

Q. Okay. And this is the -- are you aware of another standard operating procedure with regards to suspicious order monitoring?

A. I believe there is a newer version.

Q. Okay. But this was the -- this was the most updated version up until at least February of 2015?

A. Yes, sir.

Q. And on the standard operating procedure, there's no indication of what situations would be

appropriate for an order to be held?

MS. KOSKI: Objection. Mischaracterizes the document.

BY MR. STOLTZ:

Q. Is there any instructions or guidance as to when a release should not be applied?

A. From first glance, no, it doesn't appear.

Q. Okay. You can take your time and read the whole document.

A. Okay.

So nowhere specifically it says, but it's a document referring to how to review and how to make a determination.

Q. Okay. When it comes to a situation where there's a promotion for a controlled substance, those aren't indefinite promotions, are they? Those are usually limited time offers?

MS. KOSKI: Object to form.

THE WITNESS: As far as I am aware, when I was in this role, I was not aware of any promotions.

BY MR. STOLTZ:

Q. Okay.

A. So I can't answer that.

Q. So if there was a reason to release a hold or -- and I know it doesn't pertain to this document -- but increase the limit for a customer on a limited basis, for example, a promotion that Anda was offering, would that increase and their limits also be limited to that time period? Or would that continue on indefinitely?

MS. KOSKI: Object to form.

THE WITNESS: I can't say, because I was not aware of any promotions. So I don't know.

BY MR. STOLTZ:

Q. Was there ever a time when limits would be lowered?

MS. KOSKI: Object to form.

THE WITNESS: Possibly. I can't say for certain.

BY MR. STOLTZ:

Q. I want to refer back to the second exhibit we went over, Bates Number 570926. This is a PowerPoint we went over earlier today.

Do you recognize it from earlier today?

A. Yes, sir.

Q. Okay. This PowerPoint was part of an attachment to an e-mail that I'm going to show you as

soon as I can find it. But it was part of an attachment that was sent to you and -- just you at this point.

I'm going to show you what's been marked as Exhibit 8, bearing Bates number 132591.

(Anda - Hall Exhibit 8 was marked for identification.)

BY MR. STOLTZ:

Q. And this is an e-mail chain. Michael Cochrane is sending you that PowerPoint, and he asks you to: Take a look and tell me what you think.

MS. KOSKI: Are you indicating that this e-mail was the cover e-mail to this Anda overview PowerPoint? Usually the attachments are in sequential Bates ranges.

MR. STOLTZ: The PowerPoint showed up a couple times in her custodial file, and this is the one I have. But let me just . . .

MS. KOSKI: It's your deposition. I just want to be clear that to the extent there's content in the e-mail, it's not necessarily reflected in this attachment.

MR. STOLTZ: Okay. I think in context it will make a little bit more sense.

BY MR. STOLTZ:

Q. So you have a few thoughts on this draft presentation.

Do you remember the purpose of this presentation, by the way?

A. No, sir.

Q. Was it something that you sent to the DEA?

A. I don't know, sir.

Q. Okay. Well, if you look at Page 16, which I know might be difficult because this is stapled awkwardly, you'll see a slide that says "Controlled Substance Compliance," and it's the order of interest review process.

So this looks to be a situation in which an order is held for review, much like the SOP for the suspicious order monitoring.

Is that accurate?

A. Yes, sir.

Q. And at the end of this flowchart, after someone at Anda determines the validity of the order based on the review, there's two things that could happen, right, based on this draft PowerPoint? One of those is release the order for shipment; and the other is report to DEA as a suspicious order.

Is that accurate?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. What are the two things that can happen after ar review of the order of interest?

A. Based on what this reads? Report to DEA as a suspicious order. Release order for shipment or report to DEA.

Q. Okay. And as you can see in that e-mail that's marked as Exhibit 8, when Michael Cochrane asks you for your thoughts, you refer to a number of issues, but in particular, you refer to an issue on Page 16, which is referring to this PowerPoint, right?

A. It appears so.

MS. KOSKI: I'm going to object to preserve the record that they are not sequential Bates numbers. So we don't know if it actually refers to that PowerPoint.

MR. STOLTZ: Okay.

BY MR. STOLTZ:

Q. And you say: Be careful stating report to DEA as a suspicious order, in quotes.

And on this Slide 16 or Page 16, it says

literally that. It says: Release order of shipment or report to DEA as a suspicious order.

Right?

A. Yes, sir.

Q. And you say: Be careful stating a report to DEA as a suspicious order because we do not do that.

Was the policy of Anda in -- by November 27th of 2012 to not report suspicious orders to the DEA?

A. I don't remember this specific document, but a suspicious order was more of a specific -- excuse me -- suspicious customer to us. So when it became a customer -- at this time, we reported it as a customer. So it was more about the wording.

But I don't remember this specific document.

Q. Here's the PowerPoint with the sequential Bates.

(Conferring with counsel.)

MS. KOSKI: You printed in native. That's what it is.

MR. STOLTZ: Well, I'll be happy to provide it with the Bates numbers on the bottom, but the Bates numbers for the PowerPoint are also 132598.

BY MR. STOLTZ:

Q. Just to go back to what you said, you said

that at that time, at least by 2012, November of 2012, Anda would not report suspicious orders but would report suspicious customers?

A. It was considered a suspicious customer -- sorry, that word is tricky today -- suspicious customer.

Q. Are there SOPs as to when -- at what point does a customer become suspicious? Are there an amount of suspicious orders that the customer has to make before they become suspicious?

A. At this point, it was -- based on what this flow is showing, it's at -- determining the validity of the order based on reviews. So somebody was reviewing it and determining if that order and that customer was suspicious.

Q. Where does it say that? On the PowerPoint?

A. Correct. Right before that last point, it says: Determine the validity of the order based on review.

Q. And then at that time, according to your e-mail, either that order would be released -- someone would release that order for shipment or what? If the order was going to be held, it wouldn't be reported to the DEA as a suspicious order. So

what would happen if an order wasn't released? It would just be held indefinitely?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. What would happen if a shipment wasn't released in November of 2012?

A. It would be a suspicious customer, and it would be reported that way.

Q. So what you meant to say in this e-mail, you meant to say: Be careful stating report to DEA as a suspicious order because we do not do that, dot, dot, dot, report to DEA as a suspicious customer?

A. No. I meant to say what I said here.

Q. I'm just trying to understand what that is. So --

A. This is -- what I'm saying to him is saying report -- having to say "report suspicious order" is not accurate. It's a suspicious customer.

Q. And did you ever report a suspicious customer?

A. Yes, sir.

Q. At what point did it change to reporting a suspicious order?

A. I can't say for certain.

Q. But it did at some point change to reporting suspicious orders?

A. It was a multiple. I spoke about this earlier where it is -- I'm sorry -- suspicious customer or a suspicious order.

Q. So there is instances in which Anda would report a suspicious order and other instances in which they would report a suspicious customer?

A. Yes, sir.

Q. I think we went over this as well, but when -- if -- if a customer made a suspicious order and that order was held by Anda and ultimately not released by Anda, how is it that that customer wouldn't also be suspicious, just the order itself would be?

A. Well, it would. As I stated earlier, you're still -- we would still submit the customer information. It would just have, along with it, an order -- specific order tied to it.

Q. So, in 2012, you would just give the DEA a suspicious customer without reference to a particular order?

A. We were doing all of our validation up front with the customers. So we were basically fielding

off who we wanted to do business with prior to them becoming a customer and becoming -- having suspicious orders.

Q. So by doing your validation up front -- I'm just trying to understand what's changed.

By doing your validation up front, you were able to avoid having any suspicious orders?

A. We were still monitoring orders, but they were orders of interest, not suspicious orders.

Q. Orders of interest?

A. Yes, sir.

Q. Were there any other levels of, like, particular orders or strange orders? Just orders of interest and then suspicious?

MS. KOSKI: Object to form.

THE WITNESS: Yes, sir.

BY MR. STOLTZ:

Q. How many different tiers of suspicion were there?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Were there other tiers of suspicion -- suspicious orders?

A. All orders are orders of interest until they

become suspicious.

Q. So all orders go through this flowchart, SOP Number 40?

A. Every single control order that processes through our system goes through the -- at this time, it would have been through the algorithm that you are looking at there.

Q. It says here at the top of SOP 40: The directive contained in this SOP applies to all DEA compliance analysts who are involved in the review of a sales order deemed to be of interest.

Are you saying that all orders are deemed to be of interest?

A. All orders that hit the -- this -- that go through the algorithm and process out are considered orders of interest.

Q. Okay. So not all orders of controlled substances are orders of interest?

A. No, sir.

Q. And is it an order of interest because it's suspicious?

A. No, sir.

Q. Why is it an order of interest?

A. This goes back to the other document,

Exhibit 6, that the algorithm that was built, that is what deems an order of interest. So once it -- once an order is taken and it processes through the system, it goes through all these steps, these seven steps, and if any of these are positive, it becomes an order of interest.

Q. What is the purpose of that algorithm?

A. To capture orders of interest.

Q. The purpose of the algorithm is to capture orders of interest?

A. Yes, sir.

Q. It is not to capture suspicious orders?

A. No, sir.

Q. Do you have an algorithm for capturing suspicious orders?

A. Orders of interest can become a suspicious order. So after you review it and it -- if things don't check out, then it becomes a suspicious order.

Q. So the algorithm identifies what could be suspicious orders, but they can't be deemed -- they can't be deemed suspicious until someone -- someone finds out whether or not one of these eight factors is at play, like an increased supply to new/existing customer or patient or increased supply to a new

facility, consistent with order pattern, increase in stock due to promotion, first time order, consistent with customer class order pattern, administration release, or released unchanged with DEA/state authority concurrence.

All of those could be reasons why an order of interest wouldn't be suspicious?

A. Correct.

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. And you are not sure what administration release means?

A. No, I'm not sure.

Q. Were there ever situations in which you or others in regulatory compliance would preemptively increase the limits on a customer prior to a large sale or a -- for example, a promotional -- a limited time promotion in order to avoid triggering the algorithm?

MS. KOSKI: Object to form.

THE WITNESS: Like I said before, I can't speak to any promotions. But regardless, the algorithm tech would catch. So if you read over what the algorithm catches, it would catch any

order that is out of frequency, out of the normal use of business.

BY MR. STOLTZ:

Q. And those orders would automatically be held?

A. (Nodding head.)

Q. What was the turnaround for an order being held? How long does it take from an order being held to an order ultimately being released?

A. It varies.

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Was there ever, you know, a time that compliance was shooting for or was there a maximum amount of time it could take? I mean, it just varies? It could take a year? It could take two minutes?

A. Yes, sir.

Q. Wouldn't that make it difficult to do business?

MS. KOSKI: Object to form.

THE WITNESS: I don't think so.

BY MR. STOLTZ:

Q. If someone ordered 100 units of opioids from Anda and Anda held that for years, after awhile, that

they would no longer need that order, would they?

MS. KOSKI: Object to form.

THE WITNESS: I can't say.

BY MR. STOLTZ:

Q. Don't drugs have an expiration date?

A. Sure.

Q. Isn't Anda's position in the market to supply customers when they are unable to find product elsewhere?

A. If it's a legit process, right. So if it hits as an order of interest, someone has to make sure we want to ship on it.

Q. How many people would review held orders?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. How many people at Anda's responsibility was to review held orders at the time that you say you were dealing with reviewing suspicious orders?

A. Possibly up to five.

Q. I'm going to show you what I'm going to mark as Exhibit 9, Bates Number 14 -- 141492. Just as soon as I can get the sticker.

(Anda - Hall Exhibit 9 was marked for identification.)

THE WITNESS: Thank you.
BY MR. STOLTZ:
Q. Is this an e-mail from Latoya Samuels to you and others in August of '16?
A. Yes, it appears that way.
Q. And what is this e-mail about? What -- what's the context of this e-mail?
A. The subject is "SOMS Held Orders."
Q. And it includes a month-by-month total of held orders from January 2016 to August of 2016.
Is that accurate?
A. It appears that way.
Q. And during that time, there were thousands of held orders, right?
MS. KOSKI: Object to form.
THE WITNESS: It appears that way.
BY MR. STOLTZ:
Q. Well, let's do the math. So -- so at some point, you know, earlier on that year, you would have about 35 -- in the 30s held orders a day, right?
How many -- how many held orders on average did you have in January?
A. It says daily average, 37.
Q. So there was 37 held orders for review by the

five individuals whose job was to do that?

A. Well, now you are talking about 2016 when I wasn't involved. So that was when Robert was in charge, and he had -- let me count for you. I think it's more than five at that time.

Q. Okay.

A. Six -- six people, I believe it was.

Q. Okay. Six people, including Robert Brown?

A. Six.

Q. So initially in January it's too bad. What is it, like, five -- five held -- held orders for review per person, if that?

MS. KOSKI: Object to form.

THE WITNESS: It appears that way. I'm not doing the math but . . .

BY MR. STOLTZ:

Q. When you were in charge of suspicious order monitoring, how long would it take you to review a held order?

A. It would vary depending on the order.

Q. Could you make a guess, an average?

A. No. I'm sorry.

Q. Would it be somewhere in between an hour and a day?

A. I don't -- I'm sorry, I don't know.
Q. Would it take a week?
A. It could. I don't know.
Q. Did it ever take a week?
A. Possibly.
Q. It possibly took -- would it ever take longer than a week?
A. I'm sorry, I don't know.
Q. You don't recall how long it took you to review a held order based on the suspicious order monitoring SOP that you and others drafted and reviewed every year from 2011 to 2015?
MS. KOSKI: Object to form. Mischaracterizes testimony.
BY MR. STOLTZ:
Q. You have no idea how long this takes?
A. No. I'm sorry.
Q. Would it be possible for six individuals to review 480 held orders in a day?
A. Possibly.
Q. How many would that be per person?
Sorry. I'll do the math.
MS. KOSKI: You are asking her to do the math?

MR. STOLTZ: No, that's fine.

MS. KOSKI: We need one of the big calculators.

MS. REINA: It's 80.

BY MR. STOLTZ:

Q. So it's possible that a person could review 80 held orders in a day?

A. Yes, sir.

Q. Okay. Did you ever review 80 held orders in a day?

A. Possibly.

Q. Does that seem like an unusually large amount to you?

A. I don't -- I really don't know.

Q. Do you know if any of these orders were reported to the DEA?

A. I can't say based on this document, no.

Q. Do you recall whether or not in 2016 from January to August if any orders were referred to the DEA?

MS. KOSKI: Object to form.

THE WITNESS: I can't say. I'm sorry. I wasn't really directly involved.

///

BY MR. STOLTZ:

Q. Is it possible that none of these orders were referred to the DEA?

A. I don't know.

Q. If these orders were released from being held, would there be a record as to the reason they were released?

A. Yes, sir.

Q. And where would that reason be?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. How is that reason recorded?

A. In our internal system, when you release it, you release it with a code based on what we were reading in that SOP, the one through eight, I believe it was. You release it with a release code, and you can always refer back to that.

Q. And the internal system, was there a name for that system?

A. We really called it a bucket. That was just our -- what we called it but -- it was our order of interest bucket.

Q. Okay. And if you increased -- if you had a larger multiplier, you could avoid things going into

the bucket, right?

A. The larger --

[redacted]

looking at before. You said, the bigger the multiplier, the more -- the less we'll have in the bucket; the smaller the multiplier, the more we'll have in the bucket, right?

A. If you increase your multiplier, you will have less hit the bucket; if you decease your multiplier, you will have more hit the bucket.

Q. Okay. Who is in charge of setting those multipliers?

A. I'm sorry, I don't know.

Q. Okay. I want to show you what I'm going to mark as Exhibit 10.

(Anda - Hall Exhibit 10 was marked for identification.)

MR. STOLTZ: And, again, I apologize for the awkward stapling.

MS. KOSKI: Thank you.

MR. STOLTZ: Exhibit 10 bearing the Bates Number 149556.

BY MR. STOLTZ:

Q. And this is an e-mail from Stephanie

Giammalvo to you, Sabrina Solis, and Jay Spellman, cc'ing others.

What was Jay Spellman's position?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. What did Jay Spellman do for Anda at this time?

A. At this time, Jay Spellman was the executive director of distribution and compliance.

Q. And then what did Sabrina Solis do?

A. Sabrina is the manager of regulatory compliance.

Q. Okay. So to you, the executive director of compliance, and then the manager of regulatory compliance.

And it looks like -- so what was Stephanie's position? Was it a senior national account manager?

A. Yes, it appears that way.

Q. And why is she letting you know that Wegmans is doing a push order to their stores on a two- to three-week order on oxycodone, 10 milligrams and 20 milligrams?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. Why would someone in sales be telling someone in regulatory about a large upcoming order of oxycodone 10 milligrams and 20 milligrams?

Is that the same oxycodone that's liable to be abused such that it was not included in the original thousand-unit limit?

MS. KOSKI: Object to form. Compound.

BY MR. STOLTZ:

Q. You testified earlier that the initial -- initially, stores would be given a thousand-unit order an a particular family?

A. Sure.

Q. One of those things that was outside of that limit was oxycodone.

Is that accurate?

A. Yes.

Q. And the other thing was methadone?

A. Yes, sir.

Q. Okay. Why would someone in national accounts be telling regulatory about an upcoming sale of a large amount of oxycodone 10 milligrams and 20 milligrams?

A. I don't remember the specific case, but most

likely she was alerting us because she needed us to review and make sure that the accounts were going to be eligible.

Q. Was it so you could ensure that these wouldn't be held orders?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. Was Stephanie Giammalvo letting you and others in regulatory compliance know beforehand about a large purchase of oxycodone so you could ensure that none of those orders were held for review in the -- per SOP 40?

MS. KOSKI: Object to form.

THE WITNESS: No. As I stated before, even if it goes out of the order -- if it's an unusual frequency or an unusual size, it will still be held as a suspicious order.

BY MR. STOLTZ:

Q. What do you say back to Stephanie on Page 1?

A. Hi, Stephanie. We will review current limits and adjust any accounts accordingly. We will let you know once the 70 accounts are complete.

Q. So are you saying that you are going to

increase the current limits and adjust accordingly such that Wegmans can make a large order of oxycodone 20 milligrams and 10 milligrams?

A. I don't remember this specific request, but what I'm -- I believe I'm saying is that we will review.

Q. You will review current limits and then what?

A. We will review the customer, what we have on file.

Q. What does it say here?

A. We will review current limits and adjust any accounts accordingly.

Q. Okay. So this is 2017, right?

A. Yes, sir.

Q. And by 2017, you were not involved in reviewing current limits and adjusting any accounts -- or were you?

A. In January 2017, Robert Brown was laid off and I filled an interim role into December of 2017 when Sabrina Solis stepped in.

Q. Sabrina Solis says: The control limits were reviewed and they are okay for the order.

Does that mean that none of these orders will be held?

A. As I stated before, the algorithm will still catch the orders. What she is stating is she reviewed the customers and everything -- and they are eligible and set for this order. They have been approved.

Q. Prior to going through the algorithm?

A. There's limits, and there's an algorithm.

Q. Did Wegmans -- did their limits ever go down after this one-time purchase?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Was there any SOP for bringing limits down after a one-time purchase of a large amount of opioids?

MS. KOSKI: Object to form.

THE WITNESS: I can't say for certain.

BY MR. STOLTZ:

Q. Who would have -- would you agree that if limits didn't return to their number prior to a limited time increase, customers could order far more than they normally would have been able to in the future?

MS. KOSKI: Object to form.

THE WITNESS: Can you clarify?

MR. STOLTZ: Sure.

BY MR. STOLTZ:

Q. In this circumstance, it looks like Wegmans is getting an increase in their limits due to a one-time purchase of oxycodone, right?

A. Yes, sir.

Q. If their limits aren't returned -- if their limits aren't put back to the level prior to the large purchase, wouldn't it be possible for Wegmans to continue to purchase a large amount of opioids despite the fact that they are not making a large one-time purchase of oxycodone?

MS. KOSKI: Object to form.

THE WITNESS: Limits are based on the overall, so the dispensing data. So we feel comfortable at that point, if they do come back to us, that they are at a comfortable place. We have determined that that's what our limit -- how we set our limits.

BY MR. STOLTZ:

Q. So you would be comfortable increasing limits indefinitely after the review of a one-time large purchase of a controlled substance?

MS. KOSKI: Object to form. Mischaracterizes

testimony.

BY MR. STOLTZ:

Q. Did Anda have any concerns or -- in your understanding while you were acting manager or acting suspicious order reviewer, did you ever have any concerns that allowing a customer to have an increase indefinitely based on a one-time buy would allow them to order far more than was usual for a pharmacy of that size?

A. Well, this specific case, if Sabrina reviewed it as the analyst, well, she was the manager at that time. If she reviewed it, I feel comfortable with her decision.

Q. Was there ever a time that limits were re-reviewed? For example, you looked at the SOP policy in general on a yearly basis. Would limits themselves ever be reviewed after they were set?

MS. KOSKI: Object to form.

THE WITNESS: Possibly.

BY MR. STOLTZ:

Q. In the time that you were in charge of suspicious order monitoring, whether that was after Robert Brown being laid off or prior to his hiring, were limits ever reviewed after they were set?

A. Possibly. I can't say for a specific case.
Q. But there was never any policy to do so?
MS. KOSKI: Object to form.
THE WITNESS: Specifically reviewing the customer in general.
So, as I stated before, the whole picture of the customer, re-reviewing them, making sure -- someone the size of a Wegmans, re-reviewing and making sure we are comfortable with where they stand.
BY MR. STOLTZ:
Q. Were customers ever re-reviewed -- was there ever a specific policy that you can recall to re-review customers in situations other than where they are asking for an increase in their control limit?
MS. KOSKI: Object to form.
THE WITNESS: I can't say for certain.
BY MR. STOLTZ:
Q. So that you know of, there was no policy to do so?
MS. KOSKI: Object to form.
THE WITNESS: I can't say for certain.
///

BY MR. STOLTZ:

Q. It was -- you were running the department prior to Robert Brown being hired and then after him being laid off?

MS. KOSKI: Object to form. Mischaracterizes testimony.

BY MR. STOLTZ:

Q. Were you in charge of suspicious order monitoring when Robert Brown was not with Anda?

A. Yes.

Q. While you were in charge of that, of suspicious order monitoring, did you ever implement a policy to review limits in situations other than where a customer's asking for an increase in limits?

A. We reviewed -- re-reviewed customers, yes.

Q. I understand that you re-reviewed customers.

Did -- was there a policy that you can recall to re-review customers in situations other than where they were asking for an increase in limits? And if there was a policy, can you let me know what that policy was?

MS. KOSKI: Object to form.

THE WITNESS: A written policy? Is that what you're --

BY MR. STOLTZ:

Q. I don't know.

A. I guess --

Q. Maybe you wrote it down or -- I'm just asking you how you ran your department.

Did you ever instruct anyone, written or otherwise, to re-review customers in situations where they were not asking for an increase in controlled substances?

A. Possibly.

Q. Possibly?

A. Yes, sir.

Q. Can you think of a reason why you might possibly do that?

A. I can't say for certain.

(Anda - Hall Exhibit 11 was marked for identification.)

BY MR. STOLTZ:

Q. I'm showing you what's been marked as Exhibit 11, bearing the Bates number --

MS. KOSKI: Thank you.

Q. -- 134998.

And this is dated April 15th, 2011, right?

A. Yes, it appears that way.

Q. And that's -- that was before the PowerPoint presentation in 2012.

Was that before the PowerPoint presentation -- or your edits to the PowerPoint presentation in 2012?

A. Exhibit 8 was from November 27, 2012.

Q. Okay. And what is it -- what was your edit on Page 16?

A. Page 16: Be careful stating report to DEA as a suspicious order because we do not do that.

Q. And what does Gayle Lane of the DOJ send to you and others at Anda?

A. You want me to read her response?

Q. Yes.

A. Okay.

Please review 21 CFR.

The registrant shall inform of suspicious orders when discovered by the registrant. You are required to report to DEA at the time of the order -- at the time of the order what was ordered. So it is not enough to let us know of customers you have cut off after you have researched them. If you deem an order suspicious, you need to notify DEA at that time.

Q. So in 2012, you still weren't reporting suspicious orders.

Is that accurate?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Was it your statement that in 2012 -- in 2012, did you state that we do not report to the DEA suspicious orders?

A. We report suspicious customers.

Q. And what does Gayle Lane say about reporting suspicious customers in 2011?

A. Did you want me to re-read it?

Q. Sure.

A. Please review 21 CFR. The registrant shall inform of suspicious orders when discovered by the registrant. You are required to report to DEA at the time of the order what was ordered. So it is not enough to let us know if a customer -- let us know of customers you have cut off after you have researched them. If you deem an order suspicious, you need to notify DEA at that time.

Q. But even still, ten months later, Anda is not reporting suspicious orders and reporting suspicious customers.

Is that your testimony?
MS. KOSKI: Object to form.
THE WITNESS: I can't speak to what Michael discussed with Gayle after this e-mail. But, yes, customers -- suspicious customers.
BY MR. STOLTZ:
Q. I'm not asking about what was discussed with Gayle after this e-mail.
A. Okay.
Q. I'm saying ten months after this e-mail from Gayle Lane at the Department of Justice on the Weston Diversion Group, Anda was still not reporting suspicious orders but reporting suspicious customers?
A. Yes, sir.
MS. KOSKI: Object to form.
BY MR. STOLTZ:
Q. Do you know when Anda made the transition to reporting suspicious orders as opposed to suspicious customers?
MS. KOSKI: Object to form.
THE WITNESS: No.
BY MR. STOLTZ:
Q. Do -- was it a decision that you made or was it a decision that Robert Brown made?

A. It was a decision somebody else made. I did not make it.

Q. So it was at least after Robert Brown was hired and you transitioned to just focusing on licensures?

MS. KOSKI: Object to form.

THE WITNESS: Possibly.

BY MR. STOLTZ:

Q. Well, if you didn't make the decision, then necessarily it would have occurred after you were out of the loop as far as suspicious order monitoring goes, right?

A. Possibly, yes.

Q. And when was that again?

A. I was in that role 2010 to maybe 2012.

Q. Okay. This e-mail is from November of 2012. So it would have at least occurred after November 2012?

A. I can't say for certain.

Q. Well, at this point, you're still in charge of suspicious order monitoring, right?

MS. KOSKI: Object to form.

THE WITNESS: It was around that time that Robert transitioned in, in 2012. I don't know

the exact --

MR. STOLTZ: Okay.

BY MR. STOLTZ:

Q. So at least up until November of 2012 Anda was reporting suspicious customers and not suspicious orders?

A. Yes, sir.

THE VIDEOGRAPHER: Off the video record at 2:27.

(Recess from 2:27 until 2:33 p.m.)

THE VIDEOGRAPHER: The time is 2:33 p.m. We are now back on the record.

BY MR. STOLTZ:

Q. So during the whole time that you were at Anda, the main focus of your employment -- at least one of your main responsibilities was focused around licensing, right?

A. Yes, sir.

Q. And that would entail making sure that the customers had valid licenses to purchase pharmaceuticals, right?

A. Yes, sir.

Q. And each state is a little bit different?

A. For controlled substance?

Q. For any type of licensing.
A. Yes, sir.
Q. When it comes to controlled substances, are states different?
A. Some states have a controlled substance license and some states do not.
Q. Okay. So I guess some states kind of track the federal rules and other states don't?
MS. KOSKI: Object to form.
BY MR. STOLTZ:
Q. Would part of -- part of understanding licensure wouldn't just be limited to the states, right? It would also be limited -- it would also extend to requirements under the federal regulations and federal code?
A. Yes, sir.
Q. And you mentioned that -- about how frequently would -- are there separate licenses for controlled substances and noncontrolled substances?
A. In each state, it varies. So each state has different requirements.
Q. As to federal law, is there a different license for controlled substances and noncontrolled?
A. Federal is your DEA registration.

Q. Okay. It's the DEA registration?
A. Yes, sir.
Q. And what type of information can you tell from a DEA registration?
A. The DEA registration has the name, the address, the schedules that they're approved for as well as expiration date, how much they paid for their registration, and when it was issued.
Q. There's a situation where you could -- maybe a facility's DEA registration was out of date or their DEA registration put them in a category of customer that Anda didn't want to sell to, or at least policy-wise didn't want to sell to.
Could Anda, for example, substitute in one of the practitioner's DEA registration and sell product directly to that individual in order to get product to the customer that's DEA registration may have been out of date?
MS. KOSKI: Object to form.
THE WITNESS: No, I'm not -- I'm sorry. I'm not sure --
MR. STOLTZ: Sure. That was a terrible question.
///

BY MR. STOLTZ:

Q. So doctors have DEA registrations, right? Not all of them but some?

A. Yes, sir.

Q. And a pharmacy would have a DEA registration?

A. Yes, sir.

Q. Assuming, if they wanted one.

What are some of the other classes of entities that can have a DEA registration?

A. Anyone that is going to handle controlled substances is required to have a DEA registration.

Q. Okay. If a pharmacist's DEA registration was out of -- would a pharmacist himself or herself would they have a DEA registration?

A. No. The pharmacy would have it.

Q. Okay. What about -- what about a clinic or a hospital? Would the doctor have a DEA registration in addition to the hospital having a DEA registration?

A. Not -- a clinic and hospitals would be two different classifications. Some clinics won't have their own licensure, and they would rely on the physician. And hospitals -- typically a hospital has their own DEA registration.

Q. Okay. But there could be situations in which -- well, there would be situations in which, you know, a hospital would have a DEA registration and doctors within that hospital would have a DEA registration?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Could you sort of have overlapping DEA registrations is what I'm asking?

MS. KOSKI: Object to form.

THE WITNESS: The DEA can issue multiple DEA registrations at the same address for different people or different entities.

BY MR. STOLTZ:

Q. Okay. So then if you wanted to -- if you wanted to avoid scrutiny for selling opioids to a hospital or a clinic that had a DEA registration, couldn't you use the doctor that works there's DEA registration and sell to them directly as opposed to that clinic?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

BY MR. STOLTZ:

Q. In situations where there are more than one

DEA registration at one location -- and that's something that's possible, right?

A. Yes, sir.

Q. Okay. In situations where there are two -- more than one DEA registration at one location, would it be possible to avoid DEA scrutiny by selling to one and not the other?

MS. KOSKI: Object to form.

THE WITNESS: It just depends on who's our customer. I'm still not sure -- I'm unclear on what your question is.

MR. STOLTZ: I'm marking Exhibit 12, Bates Number 136972.

(Anda - Hall Exhibit 12 was marked for identification.)

BY MR. STOLTZ:

Q. So if you go back to the beginning of this e-mail chain, which I understand you are not on, an individual named Suparna asks Christine A. Miller to send 34 bottles of 30-count Mallinckrodt Naltrexone to the enclosed address at attention of Rick and copies the pharmacy director, Rick, who was the director of pharmacy at 3400 Enterprise Way, Miramar, Florida.

And it looks like you weren't able to supply what was asked for but you were able to supply 1,000 tablets, and you explained that that was all that was left in the inventory, right?

A. Ten pieces.

Q. Okay. And Al -- Albert Paonessa, who was he?

A. Al Paonessa was the previous president of Anda.

Q. Okay. And he says: Actually, hold on. We need to confirm that we are allowed to sell to that type of license.

What does he mean "that type of license"? Is he referring to the license of the clinic or the license of the pharmacist?

A. I can't say for certain. I don't know. I don't remember this.

Q. Okay. Well, you reply that the facility didn't have a state license, so we had to set up the account under the physician in charge's name.

Is that accurate?

A. That's what it reads.

Q. So was the physician in charge ordering this amount or was the facility ordering the amount?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Was it common to -- was it common to use a physician in charge's DEA registration as opposed to the facility that was actually receiving the controlled substances?

MS. KOSKI: Object to form. Mischaracterizes the document.

THE WITNESS: I can't say for certain this was a controlled substance, this product.

BY MR. STOLTZ:

Q. Well, it is.

But regardless, a DEA registration, is that going to be required for all types of -- all types of pharmaceuticals or just controlled substances?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. A DEA registration is required for ordering controlled substances, right?

A. For the -- yes.

Q. Would you need a DEA registration to order Tylenol?

A. In our system, we -- as a new customer or an existing customer, we try and have all of their licensure on file. And some of that is for

chargeback reasons. So the DEA is their -- the link, the notifier, when things get sent back for chargeback. Not necessarily a controlled substance buying customer or a controlled substance order; just account maintenance.

Q. Who is requesting 1,000 tablets and why is Albert Paonessa --

The facility requests the 34 bottles of 30-count Mallinckrodt Naltrexone, 50-milligram tablets.

Is that accurate?

A. It appears in the first e-mail that a Ricardo -- oh, I'm sorry, a Ricardo is the contact. A Suparna is requesting.

Q. Right.

And he's asking that it be sent to Ricardo Castaneda at the Comprehensive Clinical Development located at 3400 Enterprise Way.

And pharmacy directors, do they have DEA registrations?

A. This pharmacist, no. It would be through the facility if the facility had one.

Q. And it looks like Albert is concerned that you're not allowed to sell to that type of license,

right?

A. I don't know. I don't know what the license is. There's no other attachment so it's hard for me to speculate.

Q. So in order to get around not being able to sell to this clinic, you suggest that -- why did you need to set up an account in the physician in charge's name?

MS. KOSKI: Object to form. Mischaracterizes the document.

BY MR. STOLTZ:

Q. Why did -- why did you set up an account under the physician in charge's name?

A. I don't know. I can't -- I don't remember this specific case.

Q. Was it because the facility did not have a state license?

A. I'm sorry. I can't be sure of that.

Q. Did you say the facility did not have a state license?

A. Yes.

Q. And then you said: So we had to set up an account in the physician in charge's name?

A. Yes.

Q. So in Anda's records -- in Anda's records --
MS. KOSKI: Can you mute on the phone, please.
BY MR. STOLTZ:
Q. In Anda's records, it wouldn't reflect -- if you were to look up the -- I don't know, the task history or whatever internal electronic system Anda has, if you were to look up that history for this, would it show that you delivered Naltrexone tablets to the facility or to the physician in charge?
A. I can't say for sure.
Q. It looks like you set up an account under the physician in charge's name, right? And by account, what -- what are you referring to?
A. An account is what the customer has at our -- at our -- in our system that captures the order. So it's through that customer.
Q. So in your system?
A. An internal system, yes, sir.
Q. In your internal system, this particular order would show up as an order made by the physician in charge, right?
A. It appears that way, but I don't know.
Q. Did Anda have a policy of not distributing

controlled substances to clinics?

MS. KOSKI: Object to form. Mischaracterizes the document.

BY MR. STOLTZ:

Q. When you were in charge of suspicious order monitoring, which would have been in February of 2012, did you or did anyone else in regulatory -- the regulatory department implement a policy of not distributing controlled substances to clinics?

A. Pain clinics.

Q. This was a pain clinic?

A. I can't say for certain.

Q. When was that implemented, that policy?

A. June 2010-ish. I'm not a hundred percent certain.

Q. Were you a part of those conversations, or that's just what you heard?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

MR. STOLTZ: Sure.

BY MR. STOLTZ:

Q. When that decision was made -- you seem to have a specific understanding of when that decision was made.

Do you know why that decision was made?
A. To discontinue the sale of controlled substances to pain clinics.
Q. And why was that policy implemented?
MS. KOSKI: Object to form.
THE WITNESS: I can't say for certain.
BY MR. STOLTZ:
Q. Why do you remember that it was in June of 2010? Is there anything else that happened in June of 2010?
A. June -- the reason I remember is in June 2010 is because our physicians were -- there was expirations that occurred on that day. So when I see a customer, I can see that date of an expiration.
Q. What do you mean an expiration?
A. Expiration date on one of their licensure.
Q. Oh.
A. Sorry, it was one of those where you join things.
Q. So it was after -- I guess after June of 2010, that's when Anda was no longer going to distribute to pain clinics?
A. Pain clinics, yeah. I believe it was 2010, that decision, but . . .

Q. But it didn't have a similar policy with regards to physician in charges, or did it?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Did Anda continue to distribute controlled substances to pain clinics by sending those -- sending those pills to the physician in charge by using their DEA registration?

MS. KOSKI: Object to form.

THE WITNESS: No, sir, not that I'm aware of.

BY MR. STOLTZ:

Q. How long after 2010 did Anda continue to distribute pain pills to pain clinics?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Is this the only instance that you can think of in which pain pills were sent to a pain clinic?

MS. KOSKI: Object to form. Mischaracterizes the testimony. She didn't say it was a pain clinic. She said she didn't know.

BY MR. STOLTZ:

Q. What are some other reasons why Anda would not be allowed to sell controlled substances to a type of license in 2012?

MS. KOSKI: Object to form. Foundation.
BY MR. STOLTZ:
Q. What -- what is required as far as licenses before -- what licenses are required before someone can order controlled substances?
A. State license; if their state requires a controlled substance, a controlled substance license; and a DEA registration.
Q. And -- and what types of licenses is Anda not allowed to distribute controlled substances to in 2012?
A. There was a decision made to not sell to wholesalers and pain clinics.
Q. Is Comprehensive Clinical Development -- was that a wholesaler?
A. I can't say for certain.
Q. Do you know if they had physician in charges -- if they had a physician in charge at a wholesale facility?
MS. KOSKI: Object to form.
BY MR. STOLTZ:
Q. Does Anda as a wholesaler have a physician in charge?
A. No. We have what is called designated

representatives.

Q. Are they physicians?

A. No, sir.

Q. What is a designated representative?

A. A designated rep is a specific person that is in charge of the daily operations for the facility, and certain states require them to be licensure -- licensed. Take classes, take a test, get licensed.

Q. But they are not physicians?

A. Some can be but not at Anda.

Q. It is not a requirement?

A. Correct.

Q. So when Albert says, "We must confirm that we are allowed to sell to that type of license," the two licenses that he would be concerned about would be either a wholesaler or a pain clinic?

MS. KOSKI: Object to form.

THE WITNESS: I can't say for sure.

BY MR. STOLTZ:

Q. Are there other instances -- are there other types of licenses that Anda was not allowed to sell to in 2012?

A. I can't say. I really -- I don't know what this is.

Q. Weren't you the -- in charge of licensure?
A. Sure.
Q. Wasn't that one of your main responsibilities?
A. Yes, sir.
Q. And that was your main -- one of your main responsibilities in February of 2012?
A. Licensure, yes.
Q. And as part of that, your job was to ensure that you were allowed -- and part of that would be knowing what licenses you are allowed to sell to, right?
A. Yes, sir.
Q. So in February of 2012, what licenses were you not allowed to sell to?
MS. KOSKI: Object to form.
BY MR. STOLTZ:
Q. You don't know?
A. Pain clinics and wholesalers.
Q. Are those the only two type of licenses?
A. Those are the two I remember for that time frame.
Q. Okay. Was that a self-imposed rule?
A. Can you please clarify?

Q. When I asked "What licenses are you not allowed to sell to," was that a self-imposed limitation? Did Anda put those limitations on itself or was that a requirement by state or federal regulations?

A. That was an Anda decision.

Q. Are there some states that have a rule as to licenses that can be sold to by a wholesaler?

A. Not that I'm aware of, sir.

Q. Okay. So when it says -- so was Pharm D a -- was that a customer or was that referring to someone else?

A. Most likely, that stands for pharmacist.

Q. Okay. So that's kind of a typical, like, qualification on somebody's -- for a pharmacist, that would put, like, their address?

A. I believe so.

Q. Okay. And Christine Miller, who did she work for?

A. It appears Christine Miller worked for Watson.

Q. At this time you were -- I mean, you have always been in regulatory compliance. Why -- why did Albert Paonessa forward this to you?

MS. KOSKI: Object to form.

THE WITNESS: I can't be certain.

BY MR. STOLTZ:

Q. So what was that internal system called? I mean, how could you sort of monitor the tasks or whatever for a particular customer?

A. I believe you are referring to Remedy.

Q. Okay. That would be what I'm referring to.

So a system like Remedy, is that where you go to see whether a customer had been denied, met their limit for a certain month, that sort of thing?

A. Remedy is more task-oriented. So a rep will send a request to a specific department asking for, hey, please update the phone number, update the address. That's a task.

Q. If a -- if a customer or an order was reported to the DEA, where -- where would that show up? Would that also be on Remedy or on a different electronic system?

A. It would be in the Excel file called "Customer Cutoff." That's where those are captured.

Q. And would that -- would that information ever be put into Remedy or T PS or the O drive?

A. TPS. In the notes section of TPS. You know,

it would vary that they would have a note saying the customer was cut off. Most of the time, it would.

Q. And but then would it also include a note whether or not a customer was ultimately reported to the DEA?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Where -- where -- where in Anda's internal systems, electronic or otherwise, would -- would a customer's -- a customer getting reported to the DEA, where would that be reflected?

A. In that Excel file with the -- Customer Cutoff file.

Q. So that wouldn't make it into the notes of a due diligence file or TPS or --

A. Possibly.

Q. Possibly but not all the time?

A. I can't say a hundred percent of the time.

MR. STOLTZ: I'm going to show you what I'm marking as Exhibit 13, Bates number 81549, and its attachment, 81550.

(Anda - Hall Exhibit 13 was marked for identification.)

MS. KOSKI: Do you have another copy for her?

MR. STOLTZ: Oh, of course. Sorry about that.

BY MR. STOLTZ:

Q. So is this an e-mail to you from Sabrina Solis?

A. Yes. To myself and one other person.

Q. And what is the subject of this?

A. "RA - Top 100 Products for Top 100 Stores Review (Combined with Miscellaneous Random Research).

Q. Okay. And the e-mail itself, there's not much here. It just says: Please see attached.

A. Yes, sir.

Q. I have a document here. It looks like these first couple of pages, 81550 and 81552, that must refer to the miscellaneous research?

A. Yes, it appears that way.

Q. Part of this miscellaneous refers to McKesson's controlled substance monitoring program.

Does McKesson publish its controlled substance monitoring program?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. How is it that Sabrina Solis became aware of McKesson's controlled substance monitoring program?

A. I can't say for certain.
Q. Do you know if it was common for wholesale distributors to share their controlled substance monitoring program?
MS. KOSKI: Object to form.
BY MR. STOLTZ:
Q. Were you able -- being in charge of suspicious order monitoring, at least during this time period, were you ever aware of what other distributors were doing with respect to suspicious order monitoring?
A. No, not me specifically.
Q. Would someone at Anda be aware of what other distributors were doing with respect to suspicious order monitoring?
A. I can't say for certain.
Q. Do you think Sabrina Solis would know?
A. I can't say for certain.
Q. You mentioned earlier that part of knowing your customer was knowing who their primary distributor was.
Is that accurate?
A. Yes, sir.
Q. And would that also include knowing how that

primary distributor monitors that shared customer for suspicious orders?

A. Me specifically?

Q. If you wanted to know your customer and part of that included knowing who their primary distributor was, would that also include knowing how that primary distributor monitored that shared customer for suspicious orders?

A. No.

MS. KOSKI: Object to form.

THE WITNESS: No, sir.

BY MR. STOLTZ:

Q. Would a primary distributor ever share with Anda dispensing data?

MS. KOSKI: Object to form.

MS. VAN TASSELL: This is Rebecca Van Tasell. Object to form.

BY MR. STOLTZ:

Q. While you were in charge of regulatory compliance and suspicious order monitoring, that included knowing a customer, right?

A. Yes, sir.

Q. And part of knowing your customer was knowing the primary distributor for that customer?

A. Yes, sir.

Q. Other than just in general knowing a customer, how would a primary distributor -- how would -- how would who the primary distributor is matter with regards to monitoring suspicious order monitoring?

MS. KOSKI: Object to form.

MS. CARDENAS: Object to form.

THE WITNESS: Can you please clarify?

MR. STOLTZ: Sure.

BY MR. STOLTZ:

Q. How is a primary distributor relevant to monitoring for suspicious orders?

MS. CARDENAS: Object to form.

THE WITNESS: As I stated earlier, just knowing your customer, knowing who they are doing business with.

BY MR. STOLTZ:

Q. Right.

Obviously, there's knowing who they are doing business with, but how does that relate to monitoring for suspicious orders? How -- in what way would that empower Anda to more effectively monitor for suspicious orders?

MS. CARDENAS: Object to form.

THE WITNESS: It's just a field. It's an understanding of who they are doing business with.

BY MR. STOLTZ:

Q. Do you think it would be easier to monitor for suspicious orders if you knew how much the primary distributor was distributing to that shared customer?

MS. VAN TASSELL: Object to form.

MS. KOSKI: Object to form.

THE WITNESS: There's people from the ceiling talking.

Sorry.

Can you please clarify?

BY MR. STOLTZ:

Q. Would you agree that it was difficult to know your customer without having -- without knowing exactly how much the primary distributor was dispensing to them?

MS. CARDENAS: Object to form.

THE WITNESS: I don't think "difficult" is the appropriate word.

///

BY MR. STOLTZ:

Q. And what word would you use?

A. It is -- knowing that we are secondary and understanding where our position is, I don't think it's difficult. It's just what it is.

Q. But in your capacity as a secondary distributor, there would be information that you would be missing, right?

A. Yes, sir.

Q. So this miscellaneous research, is this miscellaneous research research regarding Rite Aid and McKesson's suspicious order policies?

MS. KOSKI: Object to form.

THE WITNESS: Can you please clarify?

MR. STOLTZ: Sure.

BY MR. STOLTZ:

Q. And you can take your time to read this as well.

A. Okay.

Q. But after you do read it, if you wouldn't mind explaining the subject matter of this miscellaneous research.

Does this research refer to Rite Aid and McKesson's suspicious order monitoring policy?

A. It appears that -- that way.

Q. Okay. Is Trifecta -- is Trifecta a program that Anda uses?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. What is Trifecta?

A. I can't say. I don't know.

Q. Is it something you are familiar with?

A. No, sir.

Q. Is it something you ever used in your employment with Anda?

A. I'm not familiar.

Q. What about NaviScript? Is that something that Anda -- or you ever -- you ever used while you were at Anda?

A. No, sir.

Q. And NaviScript -- it says "NaviScript - Daily Review."

It says: District managers have access to 71 key performance indicators for data analysis to identify suspicious activity ranging from third party scripts, cash scripts, deleted scripts, deleted and sold, filled script, sales, line voids, voids, et cetera.

This wasn't something that Anda loss prevention district managers used?

A. No, sir.

Q. Do you think it's something that McKesson loss prevention district managers used?

A. I can't say for certain.

MS. VAN TASSELL: Object to form.

BY MR. STOLTZ:

Q. Do you know if Sabrina Solis ever worked for McKesson?

A. As far as my knowledge, no, she did not.

Q. Do you have any idea why she would have knowledge of the specific software used by McKesson in --

MS. VAN TASSELL: Object to form.

BY MR. STOLTZ:

Q. -- in identifying suspicious activity?

A. No, sir.

Q. If we turn the page -- to Bates number 81553, you will see store number at the top of a long list of pharmaceuticals.

And is it accurate to say that they are arranged by quantity, most to least?

MS. KOSKI: Object to form.

THE WITNESS: It appears it's descending order for total quantity dispensed.

BY MR. STOLTZ:

Q. And what are the top two most dispensed pharmaceuticals from Store 11546?

A. It appears that they are oxycodone HCL 1500-milligram tablet and oxycodone HCL 30-milligram tablet.

Q. Then on Bates number 81555, what is the top most dispensed drug from that location?

A. It appears it is oxycodone HCL 30-milligram tablet.

Q. And what was the total quantity dispensed?

[redacted]

Q. And then the next most dispensed product, that's amphetamine.

How many -- what was the total quantity dispensed there?

[redacted]

Q. Okay. Please turn to Bates number 81558. It looks to be referring to Store 193. The top-most dispensed product is oxycodone 30 milligrams.

Is that accurate?

A. It appears that way.
Q. And then the next is tramadol?
A. Yes, sir.
Q. And then we have cough syrup, and then two different, looks like, strengths of hydrocodone with acetaminophen.
Is that accurate?
A. Yes, sir.
Q. On Bates number 81560, it refers to Store Number 803. It says that the top -- top-most prescribed -- or, excuse me, dispensed drug is Gabapentin, followed by Metformin, followed by hydrocodone.
Is that accurate?
A. Yes, it appears that way.
Q. And then for RA Store 3182, bearing the Bates number 81562, the top two most dispensed drugs are oxycodone with acetaminophen, followed by hydrocodone acetaminophen, followed by tramadol.
Is that accurate?
A. It appears that way.
Q. I know this is tedious.
Then Bates number 81564. It says RA Store 3689.

RA, does that stand for Rite Aid?
A. I believe so.
Q. And these store numbers, does that refer to -- what does that refer to?
A. That is their internal store number.
Q. Rite Aid's internal store number?
A. Yes.
Q. So for Rite Aid Store Number 3689, of the top five most dispensed drugs, four are opioids; isn't that correct?
Oxycodone, oxycodone, oxycodone acetaminophen 10-325, and then oxycodone acetaminophen 5-325?
A. It appears that way.
Q. For Rite Aid Store 3782, let's look at the top.
The most prescribed drug -- or dispensed drug is Amoxicillin, followed by oxycodone acetaminophen, followed by tramadol in the five spot with oxycodone acetaminophen in the sixth spot and hydrocodone acetaminophen in the eighth spot.
Is that accurate?
A. It appears that way.
Q. For Rite Aid Store 3157, the top-most prescribed -- excuse me, dispensed drug is Albuterol,

followed by tramadol, which is an opioid, and hydrocodone, then hydrocodone again, then Gabapentin, and then oxycodone.

Is that accurate?

A. It appears that way.

Q. For Rite Aid Store 2346, the top two most prescribed drugs are oxycodone acetaminophen and then oxycodone 30-milligram respectively, followed by oxycodone in the fourth most dispensed spot, with tramadol at the fifth most, hydrocodone at the sixth most, and oxycodone HCL 15-milligram in the seventh most dispensed drug from that location.

Is that accurate?

A. It appears that way.

Q. For Rite Aid Store 4575, it looks like tramadol is the most commonly dispensed drug in that location, followed by Metformin -- followed by oxycodone HCL 30-milligram in the fourth-most dispensed drug, and then oxycodone in the fifth-most dispensed drug, followed by oxycodone in the seventh and the eighth with hydrocodone in the ninth-most dispensed drug from that location.

Is that accurate?

A. It appears.

Q. Then Rite Aid Store 4706 -- and this is -- this has a different line. It has "Top 100 Products for Top 100 Stores."

Was this the top 100 Rite Aid stores as far as total drugs dispensed, or is it referring to top 100 in some other respect?

A. I'm sorry, I can't say for certain.

Q. Okay. For Rite Aid Store 4706, tramadol is the second-most dispensed with oxycodone as the third most, hydrocodone as the fifth most, with oxycodone as the seventh, hydrocodone as the ninth, and then --

Is that accurate?

A. Yes, it appears that way.

Q. For Store 5232, hydrocodone is the most dispensed drug, followed by hydrocodone acetaminophen as the fourth-most, followed by Gabapentin, tramadol, methadone, and oxycodone, in that order?

A. Yes, sir.

Q. For Store 5235, hydrocodone is the second-most dispensed with tramadol as the fourth, methadone as the fifth, oxycodone as the sixth, hydrocodone as the seventh.

Is that accurate?

A. It appears that way.

Q. For Store Number 5288, it looks like hydrocodone is the most commonly dispensed, pharmaceutical of any kind, followed by hydrocodone as the fourth-most and oxycodone as the sixth-most, then followed by tramadol as the seventh-most.

Is that accurate?

A. Yes, it appears that way.

Q. For Store 5332, the top two most dispensed pharmaceuticals are both hydrocodone.

Is that accurate?

A. Yes, sir.

Q. And then oxycodone following up in the fifth- and sixth-most dispensed drug?

A. It looks like sixth and seventh, yes, sir.

Q. Oh, okay. Thank you.

For Store 6330, hydrocodone is the most dispensed drug, followed by oxycodone and then oxycodone again.

Is that accurate?

A. Yes, it appears that way.

Q. We're almost done, I promise.

And then Store 10437, the top three-most dispensed drugs are all oxycodone.

Is that accurate?

A. Yes, it appears that way.
Q. After this -- you received this e-mail, did Anda -- did Anda distribute controlled substances to any of those stores?
MS. KOSKI: Object to form.
THE WITNESS: I can't say for certain.
BY MR. STOLTZ:
Q. I want to show you what's been marked as Exhibit 14 -- not this one.
(Anda - Hall Exhibit 14 was marked for identification.)
THE WITNESS: Thank you.
MR. STOLTZ: You got it?
MS. KOSKI: Thank you.
MR. STOLTZ: This is bearing the Bates number of 132608.
BY MR. STOLTZ:
Q. And is this an e-mail to you from Claude M. Redd at the United States Department of Justice?
A. Yes, it appears that way.
Q. And he says he's the group supervisor with the DEA in Louisville, Kentucky and was wondering why your company has terminated Stanton Drug and KB Pharmacy LLC as customers.

I was unsure if there was something that we should know about due to their DEA registration that they hold with us.

When you reported a suspicious customer, would you just let the DEA know that you had terminated your relationship with a particular customer?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. What was -- what was -- what did you refer to that document as being called?

A. Customer Cutoff.

Q. A Customer Cutoff?

A. Yes, sir.

Q. And that would be a spreadsheet?

A. It's an Excel spreadsheet, yes, sir.

Q. And what was included on that spreadsheet?

A. Multiple tabs. One referring to new customers that were applying for controls with us that we determined we didn't want to do business with; a separate tab for existing customers that we terminated doing controlled substance business with.

Q. Was there any tab that included a reason as to why Anda either chose not to do business initially

with a customer or chose to cut off business with that customer?

A. At this time, I don't believe so.

Q. So he would have seen this Excel spreadsheet that sort of, amongst other things, includes this information that he has below his e-mail with, you know, the date -- I'm assuming that's when they were cut off -- along with -- what's that second number?

A. I can't be for certain, but most likely, that is the internal Anda account number.

Q. Okay. And then that third number, what could that be?

A. That probably refers to their DEA registration number.

Q. Okay. And then you reply: Please excuse the delay of this response. I have been on this vacation.

Or excuse me, you don't actually reply to him, but you send to Michael Cochrane.

And what does the second paragraph say?

A. After review, we determined that as a new pharmacy Stanton Drug was dispensing high quantities of oxycodone as well as there are -- as they are not much mix -- much of a mix of control versus

noncontrols in the top products. Due diligence is attached under 151135.

Q. And then what does that third paragraph say?

A. KB Pharmacy stood out to us as a concern because of the ratio between the hydrocodone and testosterone against all other products dispensed.

Due diligence is attached under 497669.

Q. So would you agree that one of the factors in determining whether or not a customer is suspicious would be looking at the proportion of controls to noncontrols?

A. Yes.

Q. Would you agree that -- would you agree that the Rite Aid stores that we just referenced all had high quantities of controls as their top products?

MS. KOSKI: Object to form.

THE WITNESS: It appears that way.

BY MR. STOLTZ:

Q. But you are not aware if Anda continued to distribute to any of these reports after this report was put together by Sabrina?

A. The Rite Aid report? No, sir.

MR. STOLTZ: Just for reference, the Bates number of the -- of the last exhibit is 132608.

MS. KOSKI: That is Exhibit 14?
MR. STOLTZ: Yeah.
Right?
THE WITNESS: Yes.
BY MR. STOLTZ:
Q. Who is Howard Davis?
A. Howard Davis was an employee at Anda in 2011, I believe it was.
Q. Do you know when he left?
A. He was there for approximately 90 days or so. I don't have an exact date. Maybe 2011.
Q. He was only at Anda for 90 days?
A. Yes, sir, I believe it was 90 days.
Q. Do you recall why he left the company?
A. It was a performance review at that 90-day piece.
Q. What is data waived? Does that mean anything to you?
A. No, sir. I'm not familiar.
MR. STOLTZ: Can we take a break?
MS. KOSKI: Sure.
THE VIDEOGRAPHER: Off the record at 3:42.
(Recess from 3:42 until 3:59 p.m.)
THE VIDEOGRAPHER: The time is 3:59 p.m. We

are now back on the record.

BY MR. STOLTZ:

Q. You mentioned earlier that the TPS or Remedy wouldn't always show notes as to why an account had been shut down for controlled substances, right?

A. You asked me if a -- if it -- if TPS notes would reflect that we reported it to the DEA, I believe.

Q. Okay. Would those reports include whether or not an account was shut down?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Shut down with respect to controlled substances?

A. The Excel file that goes to the DEA?

Q. No.

So I'm talking about -- I guess I'm talking about TPS or Remedy -- I'm not sure but -- in Anda's internal systems. If there was a customer that was turned off for controlled substances, the fact they had been turned off for controlled substances, that would be reflected on TPS?

A. Yes, sir.

Q. Would -- would the reason why they had been

turned off be reflected on TPS?

A. It might not necessarily go into detail.

Q. So it would just be like a little blur over something sometimes?

A. Yes, sir.

Q. Why was there -- in SOP 40, why did you add a noncontrolled substance hold in 2015?

MS. KOSKI: It's Exhibit 4?

THE WITNESS: Four.

I can't say the specifics on why this was added.

BY MR. STOLTZ:

Q. Okay. So when you were working on suspicious order monitoring prior to Robert Brown coming on board, that included -- that included order of interest review process.

Did it also include control limit increase process?

A. Yes, sir.

Q. And it also included whether or not to turn on a customer for controls in the first place?

A. Yes, sir.

Q. And when somebody was initially turned on for control, it would be turned on for 1,000 units?

A. Typically.
Q. What is a unit? I mean, what does that refer to? Is that like a pill bottle or --
A. So 1,000, in that family, they would be able to receive 1,000 tabs, let's say. So a tab -- if a bottle is 100 -- or 500 in a bottle, they will be able to receive two bottles.
Q. Okay. Was that ever -- was that always just -- so you're kind of on both ends of the -- you know, on one hand, you are doing this in 2012, and then you take over for Robert Brown on a temporary basis in 2017?
A. Yes, sir.
Q. Do you recall when he was fired?
MS. KOSKI: Object to form.
BY MR. STOLTZ:
Q. When was Robert Brown fired?
MS. KOSKI: Object to form.
THE WITNESS: He was laid off in -- around January-ish -- January/February 2017.
BY MR. STOLTZ:
Q. Okay. When you were running controlled substance compliance in 2012, "units" referred to tabs.

Did they refer to tabs in 2017?

A. Yes, sir.

Q. Was there ever any consideration given to the actual strength of the tabs? So, for example, would oxycodone 30-milligram be in the same family as oxycodone 15-milligram?

A. The same family, the chemical family, yes, sir.

Q. Okay. So I could -- I could -- if I was a customer and I had a limit of 1,000 tabs, I could buy, for example, 1,000 oxycodone 30 milligrams or I could order 1,000 oxycodone 15-milligram, but both of those would -- either would reach my limit, right, even though one is twice as much of the chemical as the 15-milligram?

MS. KOSKI: Object to form.

THE WITNESS: The chemical family, yes.

BY MR. STOLTZ:

Q. So 1,000 tabs is not very much.

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Would customers ever be given more than 1,000 -- what was the purpose for such -- such a low -- a low threshold to start? I mean, was there

ever a process where someone could have a threshold that was much higher -- much higher on the front end?

MS. KOSKI: Object to form.

THE WITNESS: We typically started with 1,000, especially with new customers, until we could get a feel for what their business is and how they were going to utilize Anda.

BY MR. STOLTZ:

Q. Okay. Were -- did you ever treat thresholds differently with -- if you were a primary distributor as opposed to a secondary distributor?

MS. KOSKI: Object to form.

THE WITNESS: If we were a primary, our -- it would all depend on the due diligence, the dispensing data, where that -- what that customer was doing, and the bigger picture.

BY MR. STOLTZ:

Q. Okay. But there were times when Anda was a primary across the board -- was -- was Anda ever the primary distributor across all chemical families?

A. I can't say for sure that we were.

Q. But were there times when Anda was the primary with respect to a certain chemical family?

A. Yes, I believe so.

Q. Okay.

(Anda - Hall Exhibit 15 was marked for identification.)

BY MR. STOLTZ:

Q. I'm going to show you what's been marked as Exhibit 15, bearing the Bates of Anda_Hall_Personnel_001.

A. Yes, sir.

MS. KOSKI: Thanks.

MR. STOLTZ: I'm sorry I don't have an additional copy. I'm happy to put it on the ELMO.

MS. KOSKI: And for the record, we have produced this with a temporary Bates so that we could get it to you quickly, but it will be produced in the normal course as part of a bigger production, just for people reading the transcript.

BY MR. STOLTZ:

Q. So this is at least a portion of your personnel file, right?

A. Yes, it appears so.

Q. The performance reviews only start in 2016.

Did you get performance reviews prior to

2016?

A. Yes, sir.

Q. What's a brand service program?

A. Brand service program is a support function that we provided for our parent company, helping them get distributions for some of their samples as well as the prescription assistance program.

Q. And what is EDI?

A. EDI is an Electronic Database Interchange. I believe that's what it stands for.

Q. What is NTIS data?

A. NTIS is a service that the DEA uses for national -- I'm sorry, I'm not even going to do the abbreviation.

Q. Sure.

A. I'm not really sure.

It's a DEA service that -- where you can go and validate DEA registrations.

Q. Okay. And it has your goal here in, I guess, 2016: Management and creation of an exception bucket that houses all variances between NTIS data feed and TPS customer master.

What does that mean?

A. So that is basically we were trying to at

this point go to an automated where NTIS was feeding us data on a daily basis to give us validation on DEA registrations. So it would come into our system, and then an exception bucket would be something that's not matching that somebody would manually go in and review.

Q. Okay. Do you remember why the Groveport, Ohio facility was closed?

A. We transitioned that facility to Olive Branch, Mississippi because they were closer to the FedEx hub.

Q. And when it came to regulatory compliance, did the regulatory compliance department ever have an employee located at the warehouses, whether that was in Groveport or Mississippi?

A. No, we did not have somebody from compliance at either of those facilities.

Q. What was -- what was the virtual warehouse system? Did you have any familiarity with the virtual warehouse at Anda?

A. No, sir.

Q. And who was your supervisor? Was that Jay Spellman?

MS. KOSKI: Object to form.

THE WITNESS: At which time?

BY MR. STOLTZ:

Q. 2016.

A. Yes, sir.

Q. And what was his title?

A. I believe his title is executive director on distribution and compliance.

Q. Did he eventually -- who eventually took on Robert Brown's role?

A. Sabrina Solis.

Q. Okay. Was there ever a time that Jay Spellman took on that role?

A. Not directly, but he oversaw the whole department.

Q. Was -- what's the -- how's the new automated program?

A. So we receive a feed on a weekly basis that shows us -- a third-party company goes out to each of the different boards and validates licensure, and then they send it to us in an automated feed weekly.

Q. Okay. But prior to that, it was all done sort of manually?

A. Yes, sir.

Q. 2017, it has some of your tasks here?

MS. KOSKI: Can you just tell us what page number you are on?

MR. STOLTZ: Yeah. Eleven.

MS. KOSKI: Thank you.

BY MR. STOLTZ:

Q. It says: Increase production and analytical thinking in regards to controlled substance decisions while maintaining strict and thorough DEA compliance, while recognizing the need to increase customer sales.

Was this -- is this included here because Robert Brown was no longer at -- at Anda? Why in 2017 were you -- were one of your tasks focused on controlled substance decisions while in other years it seems to be focused on licensure?

A. 2017, Robert Brown was laid off from the company, and I took an interim role until Sabrina Solis came on full time in December of 2017.

Q. So about how long were you in that role?

A. Around January/February to December.

Q. Okay. So almost a whole year?

A. Yes, sir.

Q. What was Med Pro?

A. I'm sorry?

Q. Med Pro.

A. Med Pro is the company -- the third-party company that we used for the -- that -- automated -- licensure automation, excuse me.

Q. What was the Vendor Master cleanup initiative?

A. The Vendor Master cleanup is working with our vendors to get them to provide us corrected business records. So who they are shipping it to, who they sold it to, the four -- the four whos: Who they are selling it to, who they are shipping it to, who sold it to us, and who is shipping it to us.

Q. So when this was written, was Anda a hundred percent compliant with all vendor relationships and state laws?

MS. KOSKI: Object to form.

And instruct you not to answer to the extent it calls for a legal conclusion, I think, at the end, although I didn't understand the question.

You may want to restate the question.

I would instruct her not to -- if you didn't intend to do that, then I would object as to form.

///

BY MR. STOLTZ:

Q. Did you complete Task 1.3?

A. Yes.

So we're actually working with the Florida Business and Professional Regulation; that's who oversees our licensure in the state of Florida. And we have partnered with them to basically get -- pass this information on industry-wide. We're their guinea pig.

Q. I'm not sure I understand.

Their guinea pig as far as --

A. Maybe that was not the right choice of words.

Q. So what do you mean by guinea pig?

A. We've partnered with them to work with the industry. So apart from Anda, this is industry-wide to help everyone, educate them on the Florida regulations. So whoever is selling to us and shipping to us has to oblige by these rules because they are shipping into the state of Florida.

Q. Okay. So when it says "state law," it is referring to Florida law?

A. Yes, sir.

Q. It is not referring to any other state law?

A. As far as I know, it's our relationship with

Florida.

(Anda - Hall Exhibit 16 was marked for identification.)

BY MR. STOLTZ:

Q. I want to show you what's been marked as Exhibit 16 --

A. Thank you.

Q. -- bearing the Bates number 136372. And this was back when Howard Davis was still with Anda.

MS. KOSKI: Could we get a copy?

MR. STOLTZ: Yeah. Sorry about that.

BY MR. STOLTZ:

Q. Now, at this time in December of 2011, was Howard Davis in charge of controlled substance compliance?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. What was Howard Davis's role?

A. He was hired to oversee DEA analysts.

Q. Okay. So he had the position that Robert Brown ended up getting hired for?

A. Yes, sir.

Q. And this is from an e-mail from Howard Davis to Patricia Williams and yourself as well as

Michael Cochrane and Sabrina Solis. And the subject is a drugstore in Columbus, Ohio, Store 802433.

Do you know what 802433 refers to? I mean, obviously it refers to the drugstore. Is that an internal Anda number?

A. Most likely it's an Anda. It refers down below. It says TPS number. That would be our internal customer number.

Q. Oh, okay. I see.

And Pat Williams, she was in sales, right?

A. Pat Williams oversaw the sales department. I'm not sure what her title was.

Q. And sales, they would typically have access to TPS? Did they have access to Remedy as well, or they would only be able to make opportunity -- like, create opportunities that would be kicked up to someone else through Remedy?

MS. KOSKI: Object to form.

THE WITNESS: So they would be able to go into Remedy and create an opportunity, a task.

BY MR. STOLTZ:

Q. But they wouldn't necessarily be able to -- to access Remedy?

A. (Nodding head.)

Q. They would be able to?

A. Yes, sir.

Q. So when she's saying can we find out why this account was suddenly cut off from buying controls, is that the type of information that would be included in TPS or Remedy?

A. So there's -- in TPS, there's separate sections. There's the customer review where a sales rep can see the notes on a customer, and then there's private compliance notes. So there would have been notes in TPS.

If at this time we had Remedy up and going -- I'm not sure if we did in December 2011, probably -- then there would have been -- the customer -- I mean, excuse me, the rep would have sent us an opportunity.

Q. Okay. And then Howard Davis sends back to Patricia Davis and you and Michael Cochrane and Sabrina Solis how the drugstore pharmacy in Columbus, Ohio had a suspicious ordering pattern that would have been difficult to defend if the DEA came in and asked about it.

The account was turned off from controlled substances on December 5th, 2011. I regret any confusion that you were not notified

contemporaneously of this action.

Was sales usually notified contemporaneously?

A. Through opportunities. So if a rep submits an opportunity for an increase or a new customer, the task goes back to them once we close it.

Q. And at this time in 2011, December of 2011, you were working with controlled substance compliance; is that accurate?

A. That was part of my responsibility, yes.

Q. And was it your understanding at that time that it was -- it was your responsibility to report suspicious customers to the DEA?

A. Yes, sir.

Q. And if a pharmacy had a suspicious ordering pattern that would be difficult to defend if the DEA came and asked about it, would that be a suspicious customer to you?

A. Based on this information, what he's saying here with his recap, yes. But I don't know. I don't know this customer.

Q. Do you know if this drugstore was ever referred to the DEA as a suspicious customer?

A. No, I don't know, sir.

Q. Do you know if it was the policy of Anda to

report suspicious customers contemporaneously with turning off a customer from controlled substances?

A. Yes, that was the policy at Anda.

Q. Was that the policy in December of 2011?

A. Yes, sir.

(Anda - Hall Exhibit 17 was marked for identification.)

MR. STOLTZ: I'm going to show you what's been marked as Exhibit 17, bearing the Bates number of 133103.

THE WITNESS: Thank you.

MS. KOSKI: Thank you.

BY MR. STOLTZ:

Q. This e-mail chain starts in November of 2011. And at that time you were working -- one of your responsibilities was controlled substance compliance -- was one of your responsibilities controlled substance compliance in November of 2011?

A. Yes, sir.

Q. And the subject of the initial e-mail is "Need Info." Why is it that Sabrina needed info on this list of pharmacies?

A. I can't say for certain. I'm not familiar with these customers.

Q. Sure.

It looks like she's asking specifically for dispensing data on the pharmacies she lists below, and then lists a number of pharmacies in the Ohio area, at least a few of them.

Then Sabrina sends an e-mail to both you and Michael Cochrane as well as Valerie J. Nemia.

And -- was Valerie, was she -- was she an employee at Anda?

A. Valerie Nemia, yes.

Q. What was her position?

A. Sales. I don't know her exact title.

Q. Yeah, she was the sales manager. There was different -- there was different reps. Okay.

Based on Sabrina's e-mail, it says -- she says to Valerie: We removed controls to the accounts below due that no dispensing data was provided for review.

Does this mean that these accounts had -- were able to order controls from Anda despite the fact that no dispensing data was provided?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Were customers -- were those customers able

to order controls without providing dispensing data to Anda?

A. I can't know for certain.

Q. It says here that no dispensing data was provided and that controls were removed as a result. It says: Controls were removed due to the fact that no dispensing data was provided.

So would you agree that the reason that controls were shut off was because no dispensing data was provided for the listed stores?

A. I can't say what we had on file for them.

Q. I'm not asking, you know, what you had in general or the -- all the information you had. But can't you agree that there was no dispensing data?

A. I can agree that she is saying that they did not send dispensing data based on her November 1st request, but I can't agree that there was nothing on file for them.

Q. Of course.

But at the very least, there was no dispensing data on file for them?

A. No, sir.

Q. Are you saying there was no dispensing data?

A. No. I'm saying I can't say that. I don't

know.

Q. What does "no dispensing data" mean to you?

A. Well, reading her sentence, she's saying they did not send the dispensing data for -- provided. So for review based on her November 1st request.

Q. So if they didn't have to send dispensing data, how would Anda have dispensing data?

A. I can't say what they had on file prior to November 1st. Maybe they had dispensing data on file in a due diligence file.

She requested it November 1st. And then it appears that on December 6th she said she was going to be turning them off because they did not provide her dispensing data.

Q. It looks like at least Bi-Mart was a [redacted] Shannon says in this e-mail chain. And then William Versosky pipes in later to Michael Cochrane, and he says: Based on the size of this chain, I need this treated as very high priority. The note says that the account was shut off due to not having a dispensing report.

Is he referring to the lack of dispensing data that Sabrina Solis refers to when she cut off

controls to Bi-Mart?

A. It appears that way.

Q. Please let me know if there's something else happening and any updates you can.

MS. KOSKI: Is that a question for the witness?

MR. STOLTZ: No. I'm sorry.

BY MR. STOLTZ:

Q. Then Michael Cochrane replies to William Versosky: Take a look at the attached file that is their October data. Their numbers don't look good with us or in general. This was also an account that the Columbus DEA asked us for information on during an audit earlier this year, dot, dot, dot.

I'm not sure if they were being watched, but I can definitely tell you we are. There's some other chains we should take controlled substances -- substance access away from as well.

Was the purpose of taking controlled substance access away to avoid repercussions from the DEA or was that to prevent diversion?

MS. KOSKI: Object to form.

You are asking her what Michael Cochrane means?

MR. STOLTZ: What her interpretation of what he meant.

THE WITNESS: I can't say.

BY MR. STOLTZ:

Q. Was it your feeling that Anda was being watched in 2011 -- December of 2011?

A. No, sir.

Q. When he's saying "being watched," is he referring to the DEA?

A. I can't say, sir.

THE WITNESS: I think it's time for all of us to take a cruise.

MS. KOSKI: That's a kind of torture that you have to look out the window at the cruise ships coming in and out.

THE WITNESS: They're going on vacation.

MR. STOLTZ: What's that?

THE WITNESS: The cruise ships.

MR. STOLTZ: I promise you, we're almost finished.

THE WITNESS: Great. Thank you.

BY MR. STOLTZ:

Q. Were you aware of the large fines that the DEA imposed on Cardinal and McKesson and other

distributors?

MS. CARDENAS: Object to form.

MS. VAN TASSELL: Object to form. This is Rebecca Van Tasell.

MS. KOSKI: You can answer.

THE WITNESS: Just general from the news.

MR. STOLTZ: Just a couple more documents and we'll get out of here.

BY MR. STOLTZ:

Q. Who is Mezanne Moo Young?

A. Mezanne Moo Young works in our procurement department for nontrade items.

MR. STOLTZ: Just two more documents.

I'll show you what I'll mark as Exhibit 18. It's bearing the Bates numbers 313264.

(Anda - Hall Exhibit 18 was marked for identification.)

MS. KOSKI: Thank you.

BY MR. STOLTZ:

Q. And this is an e-mail from Johnny Kincaide on -- sent to you and others, and it's in regards to an EPIC Account, 210466.

And EPIC was a buying group, right, or a purchasing alliance or --

A. A buying group, yes, sir.
Q. Okay. And 210466, that refers to the buying group or to a specific account within that buying group?
A. I assume that that 210466 is tied to a specific pharmacy -- a pharmacy customer.
Q. And who was John Kincaide?
A. John Kincaide was a DEA analyst.
Q. So Rachelle Vance, she was a sales rep, or what was her role at Anda?
A. Rachelle Vance is a national accounts.
Q. National accounts?
A. Sales. I don't remember if she's a manager or director, but she worked in the national account department.
Q. And I guess one of her accounts was EPIC?
A. Yes, it appears so.
Q. And you get involved to the e-mail chain, and it's because, I guess, Rachelle Vance has looped you in to EPIC account requesting a control limit increase, right?
A. It appears that John Kincaide forwarded me the e-mail.
Q. Oh, okay. And you say: I think my team and

I are feeling a bit confused on why this has become an issue.

What is the issue and why -- do you recall why your team was feeling confused?

A. No, I'm not certain. No, sir.

Q. It says here that an increase was granted and we requested updated data despite no additional data coming in since July 2014.

Was it common to grant increases without new data on file?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. This occurred in October of 2017, and it says here the last data that came in from EPIC was 2014.

Is this consistent with Anda's standard operating procedures with respect to control limit increases?

A. It varies, customer to customer.

Q. And was -- do -- I suppose to buying groups, to -- how does it vary? Based on specific customers? Or does it vary based on trade classes?

A. It varies on customer.

Q. So each customer gets treated a little bit differently?

MS. KOSKI: Object to form.

By MR. STOLTZ:

Q. Why would you treat customers differently?

A. Depending on how often they order from us, how many times their orders hitting in our order of interest bucket. Variables.

Q. Why would -- why would how often they order from Anda be relevant to whether or not an increase in controls is granted?

A. I'm not clear on your question.

Q. You said that one of the ways -- the reasons customers were treated differently could depend on how often they order from Anda.

My question is: Why would the frequency of their orders from Anda be relevant when deciding whether or not to increase a control limit?

A. So somebody that hasn't done business with us in six months, seven months, or very minimal would be treated a little bit different than somebody -- possibly could be treated a little bit different than somebody who was buying -- purchasing from us every day.

Q. Would a customer -- a frequent customer be granted increases -- if a -- if a customer frequently

ordered from Anda, would they be more likely to get a control limit increase --

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. -- upon request?

MS. KOSKI: Sorry. Object to form.

THE WITNESS: Not necessarily, no.

BY MR. STOLTZ:

Q. But it would be relevant in deciding whether or not a controlled limit increase would be granted to that customer upon their request?

A. Each customer would be handled differently. It would vary.

Q. And is this the same EPIC buying group that hadn't supplied dispensing data back in 2012, 2011?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. We discussed EPIC a little bit earlier when we were going over buying groups?

A. Yes, sir.

Q. And there was an instance in which they hadn't provided any data, whether -- they either didn't provide any data or they provided piecemeal data, and they were ordering quite a bit -- a high

level of controls.

Is that the same EPIC buying group, or is this a different EPIC buying group?

MS. KOSKI: Object to form.

THE WITNESS: I don't remember our original conversation, but EPIC wouldn't be providing us data. It would be the individual pharmacy.

MR. STOLTZ: Sure.

BY MR. STOLTZ:

Q. So despite not having any data since July 2014 and not being reviewed since January of 2015, this request by this particular EPIC account for an increase in their control limit was granted?

A. I'm not sure it says that.

Q. I think the second to last sentence of the first paragraph says the increase was granted and we requested updated data.

A. The specific customer has been reviewed since -- has not been reviewed since January 2015. No additional information has been requested since July 2014. It is geographically located in a high abuse area. The increase was granted and we requested updated data.

I don't know if that's referring back in 2015

or 2014. I can't say for certain.

Q. The increase -- you're not sure whether or not -- I'm just trying to understand what you are unsure of.

The increase was granted. You're not sure if that refers to something that happened in 2015 or 2014?

A. Correct.

Q. It looks like this particular store sends -- excuse me, Rachelle Vance, who is the director of account management -- one of her accounts is EPIC -- it looks like she asked John Kincaide, who was a part of -- he was a compliance analyst?

A. Yes, sir.

Q. She says: Let us know what you will need to increase limits.

And that was in October of 2017, right?

Is that what she asks?

A. I'm sorry. I was on the wrong page.

Yes. Yes, sir.

Q. Okay. So back to your contribution to this e-mail chain.

A. Sure.

Q. When you say the increase was granted, is

that referring to the latest request for an increase in 2017?

A. I can't say for certain based on the wording of this. I don't -- I can't recall.

Q. I think my team and I are feeling a bit confused on why this has become an issue.

It seems that the issue is that Jeff Sherr, president of EPIC, is telling Rachelle: I don't understand. We just gave you dispensing data. We can't continue to do business this way.

A. I don't recall. I don't remember this e-mail.

Q. Okay.

A. So I can't say what the -- what we were confused about.

Q. So you -- you're -- you think that when you're saying the increase was granted in an e-mail chain about an increase that was just granted on October 2nd of 2017, you were referring to events that are not referenced anywhere in this e-mail chain that occurred in 2014 or 2015?

MS. KOSKI: Object to form.

THE WITNESS: It appears -- it appears I'm giving a recap of what occurred in 2015 and 2014,

and then after that, stating the increase was granted. But I don't know. I'm sorry, I don't know.

BY MR. STOLTZ:

Q. And then you say: This is not unusual or out of the normal business procedures that are in place.

Was it not unusual for out of the normal business procedures to grant an increase for controlled substances with -- without review for several years?

A. Again, I don't know the dates.

Q. You weren't working in controlled substance compliance in 2015 or 2014, right?

A. No, sir.

Q. And you weren't in charge of increasing limits in 2014 or 2015 or even 2016, right?

A. No, sir.

Q. But you were in 2017, which is when this e-mail chain occurs, right?

A. Yes, sir.

Q. So when you say the increase was granted, you have to be referring to 2017, right?

MS. KOSKI: Object to form.

///

BY MR. STOLTZ:

Q. How would you have any knowledge of 2014 or 2015 as far as increases being granted or why those increases were granted?

A. We capture notes in our internal system, TPS. But, again, I can't say for certain about these specific cases.

Q. Do you think it's possible that you're confused because the customer is complaining while getting what he asked for, which was an increase in control limits?

A. Can you please clarify?

Q. Was it confusing to you that the customer was upset about having to provide dispensing data even though that customer got precisely what he asked for, which was an increase in his control limit?

A. Again, I don't remember why we were confused at that point. I do not recall this e-mail.

Q. Why would -- why would whether or not an increase was granted when you were not working in controlled substance compliance, why -- in what way would that respond to Rachelle Vance's concern that Jeff S. was upset about giving dispensing data?

A. It appears I was just giving a recap.

Q. You're giving a recap of events that occurred when you were not working in controlled substance compliance in response to an e-mail chain that is referencing only events that happened in 2017?

A. It appears I was giving a recap of that customer history with the compliance department.

Q. And that customer, how long had they been a customer? Since July of 2014 or prior?

A. I can't say for certain, sir.

Q. If you were giving a history of this account's relationship with compliance, why is there no mention of when the specific customer started ordering from Anda?

A. I don't know, sir.

Q. Has EPIC been an account since long before July 2014?

MS. KOSKI: Object to form.

BY MR. STOLTZ:

Q. Wasn't EPIC an account when you were with regulatory compliance -- or, excuse me, in controlled substance compliance in 2011, 2012?

A. EPIC is not an account.

Q. EPIC is a buyer's club.

Was that a buying club that Anda distributed

controlled substances to when you were working with controlled substance compliance in 2011 and 2012?

MS. KOSKI: Object to form.

THE WITNESS: I can't say for certain.

BY MR. STOLTZ:

Q. So would you please look at Exhibit 3 for me, please. And that was bearing Bates number 711634.

This is in reference to EPIC accounts, right? Also IPA NJ buying groups?

A. In reference to EPIC, yes, sir.

Q. And that was in July 29th of 2013?

A. Yes, sir.

Q. And the fact that -- the fact that many of these accounts don't have a questionnaire or dispensing data on file and that many of the accounts within the groups purchased a high volume of controls back in July of 29th, 2013, that -- that wasn't part of the recap that you're saying this e-mail sent out on October 28th of 2017, that you wouldn't have included that?

MS. KOSKI: Object to form.

THE WITNESS: I can't say for certain when this account came on board and then they joined the EPIC buying group.

BY MR. STOLTZ:

Q. It says here that Jeff Sherr is the president of EPIC.

MS. KOSKI: Is that a question?

MR. STOLTZ: Yeah.

BY MR. STOLTZ:

Q. Do you know if he was the president of EPIC in 2013?

A. No, sir, I'm not aware.

Q. Is that an elected position?

MS. KOSKI: Object.

THE WITNESS: I'm not -- I'm not aware.

MR. STOLTZ: My last exhibit, Exhibit 19.

(Anda - Hall Exhibit 19 was marked for identification.)

THE WITNESS: Thank you.

MS. KOSKI: Thank you.

MR. STOLTZ: And this has the Bates number 150162.

BY MR. STOLTZ:

Q. So it looks like Davis Lemoine -- I'm not sure how to pronounce that -- contacted Mr. Gatto at Anda. Mr. Gatto, he was in compliance, right?

A. Yes, sir.

Q. Was he a compliance analyst?
A. Yes, sir.
Q. And David Lemoine, according to this e-mail, is a divergent investigator for the Drug Enforcement Administration.
And he says that: As per our conversations earlier today, in September 2015, when he received an updated list of customers not eligible to purchase controls from Anda.
This is September 2015. Is he referencing the Customer Cutoff Excels that you had sent to the DEA?
A. I would believe so.
Q. It looks like the Customer Cutoff Excel would also include reasons -- or, excuse me, the e-mail included with the list stated the determinations were not based on suspicious orders but rather the receipt and review of additional information, including updated dispense data.
The Customer Cutoff Excel, was that -- was that sort of in the same line of reporting a suspicious customer as opposed to reporting suspicious orders?
A. It was both. So it started off initially as

a suspicious customer, and when there was suspicious orders, those were added to that list as well.

Q. So these orders -- or, excuse me, these customers were suspicious but not -- not because of their suspicious orders but rather receipt and review of additional information?

MS. KOSKI: Object to form.

THE WITNESS: I can't say if -- which customers he's specifically referring to.

BY MR. STOLTZ:

Q. Could a customer be suspicious in the absence of suspicious orders from a regulatory controlled substance compliance?

A. Yes, sir.

Q. What are some ways in which a customer could be suspicious in the absence of suspicious orders with respect to controlled substance compliance?

A. A new account review. So this -- a new account review as well as an increase -- internal increase request.

Q. So -- so a customer -- you could determine whether or not a customer was suspicious without ever actually delivering an order to that customer?

A. Yes, sir.

Q. Okay. And that would be based on the dispensing data that they provided you?
A. The due diligence, yes, sir.
Q. Okay.
MR. STOLTZ: I have no further questions.
MS. KOSKI: I don't have any questions.
MS. CARDENAS: No questions on my end.
MS. KOSKI: Any questions from anyone on the telephone?
I think we're good.
THE VIDEOGRAPHER: The time is 5:20 p.m. We are going off the record. This marks the end of the deposition.
(Whereupon, the deposition concluded at 5:20 p.m.)

C E R T I F I C A T E

I, KELLY J. LAWTON, Registered Professional Reporter, Licensed Court Reporter, and Certified Court Reporter, do hereby certify that, pursuant to notice, the deposition of EMILY HALL was duly taken on January 22, 2019, at 9:15 a.m. before me.

The said EMILY HALL was duly sworn by me according to law to tell the truth, the whole truth and nothing but the truth and thereupon did testify as set forth in the above transcript of testimony. The testimony was taken down stenographically by me. I do further certify that the above deposition is full, complete, and a true record of all the testimony given by the said witness.

_____

KELLY J. LAWTON, RPR, LCR, CCR

(The foregoing certification of this transcript does not apply to any reproduction of the same by any means, unless under the direct control and/or supervision of the certifying reporter.)

INSTRUCTIONS TO WITNESS

Please read your deposition over carefully and make any necessary corrections. You should state the reason in the appropriate space on the errata sheet for any corrections that are made.

After doing so, please sign the errata sheet and date it. It will be attached to your deposition.

It is imperative that you return the original errata sheet to the deposing attorney within thirty (30) days of receipt of the deposition transcript by you. If you fail to do so, the deposition transcript may be deemed to be accurate and may be used in court.

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E R R A T A

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ACKNOWLEDGMENT OF DEPONENT

I, EMILY HALL, do hereby acknowledge that I have read the foregoing pages, 1 to 249, and that the same is a correct transcription of the answers given by me to the questions therein propounded, except for the corrections or changes in form or substance, if any, noted in the attached Errata Sheet.

_____ _____

EMILY HALL DATE

Subscribed and sworn to before me this

____ day of _____, 20___.

My Commission expires: _____

_____

Notary Public

LAWYER'S NOTES

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